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FINANCIAL TIMES

No. 27,706 Saturday November 4 1978

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NEWS SUMMARY

GENERAL

Foreign Office cash probe

A civil servant at the Foreign and Commonwealth Office is being questioned by police following the disappearance of £350,000 from Foreign Office funds.

The man was taken to Vine Street police station, West London, on Thursday night. He lives at Marlow in Buckinghamshire.

The arrest follows an investigation by the Paymaster General's department and the irregularities are understood to have happened in the FO's main cash accounting section.

Most of the money is believed to have gone since January. Police said a charge was expected today.

Lonrho not to face charges

The Director of Public Prosecutions says there is no justification for criminal proceedings against Lonrho over the contents of a Department of Trade report and allegations of sanctions-busting. Back Page

Uranium deal

The Australian Government and Aborigines in the Northern Territory signed an agreement which will allow the exploitation of enormous uranium deposits. Work on building the Ranger mining township will start immediately.

S. Africa probe

South African Premier Pieter Botha ordered the recall of Parliament and an inquiry following allegations that public funds had been used to finance a supposedly independent newspaper. The money is said to have been put through a Swiss bank account in contravention of exchange control regulations. Back; Feature, Page 15

Test walk-out

India conceded the third one-day cricket Test against Pakistan in Sahiwal when Indian captain Bishen Bedi called his batsmen off the field in protest at persistent short-pitched bowling. India needed 23 runs to win off two overs.

'Rogues' Bill

The Government published a Bill, promised in the Queen's Speech, which will allow the director-general of fair trading to ban "rogue" estate agents. Page 3

Rail disruption

French railway workers began a week-long series of strikes to protest at what their unions call a general deterioration of living and working conditions. Page 2

Prison camp

A special camp manned by policemen has been set up in Ulster to take prisoners barred from jails because of renewed industrial action by warders, who want their daily allowance increased.

Rhythm 'n booze

Nottinghamshire council is to give out biorhythm charts to show drivers the days on which they are most likely to be unfit to drive.

Transport Secretary William Rodgers announced a £1m publicity campaign to deter people from drinking and driving.

Briefly . . .

Newsweek magazine failed in its appeal against a High Court judgment allowing the BBC to use Newsweek as a programme title.

Rev. Dr. Alfred Merriweather will be next year's Moderator of the United Free Church of Scotland general assembly.

At least 50,000 people in west Zaire are threatened by famine after a drought.

Death toll from the gas pipeline blast in Mexico rose to 54.

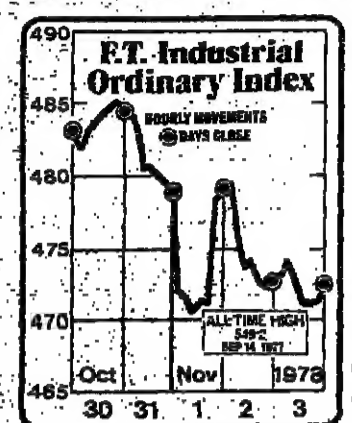
Winner of the November £100,000 Premium Bond prize lives in Glamorgan. No. 9PW 724077.

BUSINESS

Gold and £ lower: equities unchanged

● EQUITIES were not discouraged by the motor industry unrest and the Industrial Ordinary Share Index ended unaltered at 472.4.

● GILTS shrugged off rises in banks' base rates but strikes pushed back mediums and longs to earlier levels, while



shorts held fractional rises. Government Securities Index lost 0.08 to 68.58.

● WALL STREET closed 6.15 higher at 823.11.

● GOLD fell $6 at $215½ an ounce. Comex finished at $214.00 ($220.00).

● STERLING fell 1.57½ cents to close at $1.9830. Its trade-weighted index rose to 62.9 (62.5).

● DOLLAR rose to SwFr 1.6200 (SwFr 1.6005) and DM 1.8905 (DM 1.8710). Its depreciation narrowed to 9.8 per cent (10.1).

● NATIONAL ENTERPRISE Board made profits before tax of £2.4m in the first half of the year. Page 4

● IRAN'S strike-bound Khuzestan oilfield yesterday produced 2.5m barrels, allowing the Abadan refinery to function, according to the National Iranian Oil Company. Page 2

● CENTRAL ELECTRICITY Generating Board has announced orders worth £300m for works at Drax B power station in Yorkshire. Back Page.

● FISHERIES and Agriculture Minister John Silkin has confirmed that the UK has made no concessions on its demand for a new EEC fisheries regime. Page 4

● U.S. MONEY SUPPLY: M1 fell from $364.3bn to $358.9bn. M2 fell from $860.3bn to $865.7bn.

● UNITED STATES Budget Office has said it will from time to time publish a list of companies that fail to comply with wage guidelines.

● U.S. AGRICULTURE Department estimates a record world grain harvest of 1.40bn tonnes this season, up 76m tonnes on last year. Page 2.

● PERU'S government-backed debt, which totals $8.2bn, is being partly re-scheduled, under an agreement reached by the "Paris Club" creditor nations. Page 21.

● PREMIER MILLING, the South African food and feeds group, increased its turnover in the first half but gross profit fell from R23.7m to R22.1m. Page 21

LABOUR

● SCOTTISH lorry drivers will be urged at week-end mass meetings to reject pay rises within the Government guidelines.

● MICHELIN tyre plant manual workers have rejected a 9 per cent pay rise at six plants. Page 4

COMPANIES

● STOTHERT AND PITT is proposing a rights issue of £1.06m. Page 16

● S. AND W. BERISFORD is taking over Turner Curzon for £1.7m. Page 16

● GREAT UNIVERSAL STORES sales and earnings rose in the first five months of the year, Sir Isaac Wolfson, the chairman reported. Pre-tax profits in the last financial year were £1.24bn (£1.09bn). Page 16 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Muirhead	158	− 8
City Hotels	115	+ 6	Petrocon	42	− 4
Midland Bank	345	+ 5	Rush and Tompkins	102	− 10
Randalls	109½	+ 4½	600 Group	96	− 5½
Stothert and Pitt	235	+ 5	Travis and Arnold	166	− 6
Oil Exploration	200	+ 6	Utd. City Merchants	51	− 6
EZ Industries	258	+ 11	United Scientific	268	− 15
Peko-Wallsend	478	+ 20	Weimyss Inv.	275	− 15
FALLS			Ayer Hitam	350	− 15
Electrocomponents	267	− 6	Cons. Murchison	185	− 10
Gt. Portland Estates	202	− 6	De Beers Defd.	342	− 6
HTV N/V	112	− 5	Harmony	258	− 17
Magnet & Southerns	122½	− 7½	Impala Plat.	150	− 8
Marfonair	190	− 12	Libanon	443	− 23
			Middle Wits.	145	− 15
			RTZ	230	− 6
			Rustenburg Plat.	89	− 7

Ford strikers reject 'final' pay offer

BY PHILIP BASSETT and ARTHUR SMITH

FORD MANUAL workers overwhelmingly rejected the company's "final" pay and benefits offer of 17 per cent at a series of mass meetings yesterday and decided to continue their six-week-old strike.

At BL Cars, production was disrupted last night when 3,500 workers at Drews Lane, Birmingham, started the first strike at the company in protest against its 5 per cent pay offer.

More than three quarters of Ford's hourly-paid workers, spearheaded by men at the company's two largest plants, Dagenham and Halewood, supported their union negotiators' recommendation in rejecting the offer.

The Government some time ago lost hope of keeping Ford's settlement within its pay guidelines. The BL workers' decision to strike and the spate of pay battles throughout Britain further demonstrate the vulnerability of the 5 per cent limit.

Ford's offer consists of a weighted average increase of 9.75 per cent on basic wages, the 5.15 per cent attendance bonus and a new holiday pay system worth 1.9 per cent. It includes improved pensions and holidays.

Mr. Ron Todd, chief union negotiator, said that the trade union negotiating side would meet on Monday to analyse the results of the meetings. Although the company had said the rejected offer was "final," it would have to resume negotiations and respond realistically to the unions' claim for an increase in the base rate offer.

The chief cause of discontent at yesterday's meetings at the 20 Ford plants was the "penalty clauses" attached to an attendance bonus of slightly more than 5.1 per cent.

The allowance was compared to the so-called penalty clauses that the company tried to introduce in 1969 and that led to a 3½-week strike.

The overall size of the offer was attractive enough though, for workers at five factories to accept.

The split was dramatically illustrated at the meeting at Dagenham, the company's largest plant. Union officials there said that the vote by about 18,000 workers was 4-1 to reject the offer, and said it gave "total support" to the negotiators. Outside observers, however, estimated the vote as more like 2-1.

Mr. Todd, addressing the Dagenham meeting, explained the steps of the negotiations and emphasised the company's profitability and ability to meet the union claim, which was for £20-a-week increases, a shorter working week and other improvements.

FORD PLANT RESULTS OF MASS MEETINGS			
Plant	Work	Numbers employed	Decision
Dagenham (5 plants)	Assembly	24,700	Reject
Halewood—body & assembly	Assembly & body manufacture	7,300	Reject
Southampton	Transit vans	4,100	Reject
Basildon	Tractors	3,100	Reject
Halewood—transmission	Transmission	2,300	Reject
Swansea	Transmission & rear axles	2,200	Voting tomorrow
Langley	Trucks	2,200	Reject
Enfield	Components	1,600	Accept
Leamington	Foundry	1,200	Accept
Daventry	Spare parts	1,195	Reject
Belfast	Carburettors	1,150	Reject
Dunton	Research	1,112	Accept
Basildon	Radiators	800	Reject
Woolwich	Machine engineering	540	Reject
Aveley	Service engineering	390	Accept
Croydon	Sub-assembly metal stamping	320	Reject
Treforest	Arc plug ceramics	290	Accept

He said that the trade union side was not prepared to accept any attendance bonus based on penalty clauses. Some workers shouted: "We will never have it!"

At Halewood, Merseyside, 7,500 body and assembly plant workers voted overwhelmingly for rejection. Shop stewards estimated that only about 50 people voted to accept.

Earlier, about 1,000 out of 2,500 employed at Halewood's transmission plant also rejected the offer.

At least 6,000 workers at the Saarlouis plant in Germany are to be laid off on Monday because of the dispute, Ford said last night.

When the BL employees, who produce steering and suspension equipment, walked out, assembly of the Maxi at Cowley was quickly halted and 500 workers laid off. Production of the Princess will stop on Monday and more Cowley workers will be made idle.

At Longbridge, Birmingham, however, 20,000 production

Continued on Back Page

Bread strike

A strike called by the bakers' union over pay is expected to stop 70 per cent of bread supplies in England and Wales by Tuesday or Wednesday.

Union officials are to recommend Scottish lorry drivers to reject a pay offer. Page 4

Middle East peace treaty terms almost settled by Egypt and Israel

BY DAVID LENNON TEL AVIV, Nov. 3.

ISRAEL AND EGYPT have all but agreed on the terms of a peace treaty ending 30 years of war between the two countries. Only marginal issues still await suitable drafting to make them acceptable to both sides.

Mr. Ezer Weizman, Israel's Defence Minister, arrived home today to seek Cabinet approval for the terms reached in Washington between the negotiating teams of the two countries.

He will also seek guidance on some minor issues. But most of the points of the agreement have been approved already by Mr. Menahem Begin, the Prime Minister, when he met the negotiating team in New York yesterday.

"I think we are going towards a conclusion which I hope the Government will approve," Mr. Weizman said today on his return. He expressed the hope that Sunday's Cabinet meeting would be the last before the initialling of a peace treaty, "though whether this is the case will only be known after Sunday's meeting," he said.

Mr. Mordechai Zippori, Israeli Deputy Defence Minister, said this evening that most military issues had been concluded in the Washington peace talks, and the treaty fulfilled Israel's security needs.

Egypt will be allowed to have only one division East of the Suez Canal in the area within 50 kilometres from the waterway, and all of the Sinai Peninsula will be de-militarised and have no fortifications.

Mr. Weizman said on his arrival that no agreement had been reached yet on the question of the American aid which Israel is seeking to cover the costs of dismantling its fortifications in the Sinai and rebuilding them in the Negev.

Treasury officials here privately expressed reservations about Mr. Begin's request for a massive long-term, low-interest loan from Washington to meet this expenditure.

David Buchan reports from Washington: A document on the timing of the crucial issue of Israel's granting of self-government to Palestinians on the West Bank of the Jordan River will form part of the proposed peace treaty, Mr. Cyrus Vance, the U.S. Secretary of State, revealed today.

Mr. Vance told a Press conference that "almost all of the substantive issues" had now been resolved in the peace treaty negotiations in the wake of his meeting yesterday with Mr. Begin, in New York.

They key question of how the bilateral treaty between Israel and Egypt should be linked with progress towards a wider Middle East settlement covering the West Bank Palestinians, had been left unresolved by the Camp David framework agreements of September.

President Anwar Sadat insisted on such a link to show he had not ignored pan-Arab interests in his quest for peace.

One of Egypt's top negotiators, Mr. Boutros Ghali, the acting Foreign Minister, returned to Cairo with the Egyptian Ambassador to the U.S. to brief their Government on the state of the negotiations. Mr. Ezer Weizman, Israel's Defence Minister, is back in Jerusalem to perform the same role there.

£ in New York

—	Nov. 3	Previous
Spot	$1.9790-[illegible]	$[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

More scope for air fare cuts

BY DAVID BUCHAN WASHINGTON, Nov. 3.

THE BRITISH and U.S. Governments have agreed to give their airlines greater scope to set low fares on the busy transatlantic routes between the two countries.

The agreement, reached here this week by U.S. and UK officials during talks on the working of the 1977 Bermuda Air Service Accord between the two countries, marks a big shift from the previous agreement which gives either country a veto on a proposed fare.

It also marks a considerable shift in the position of the UK Government, which has feared that low fares on American airlines would damage profitability.

The new understanding, that both governments should avoid setting tariffs as much as possible, was ratified yesterday in an exchange of letters between Mr. John Steele, deputy Secretary for Aviation in the UK Department of Trade, and his American counterpart, Mr. James Atwood, deputy Assistant Secretary of State for Aviation.

After a row this spring over a proposed low fare to London by the U.S. airline Braniff, which Britain feared would undercut a competing service by British Caledonian, both governments agreed to adopt a "hands off" policy on fares for an experimental six-month period. This has shown, the exchange of letters says, that "low fares have benefited both consumers and airlines and should be continued."

Low fares introduced this year are due to expire in March 1979, but the new UK-U.S. understanding means that renewal of the low fares for next summer's peak season will pose no problem.

Britain has also acceded to U.S. calls to liberalise the regime for scheduled and charter cargo operations between the two countries: the existing system is due to run out next March. British and U.S. officials will meet in London next month.

Mr. Atwood said today he hoped agreement could be reached. But the current restrictions on cargo will be lifted in stages to allow the small British independent cargo operators, and British Airways and British Caledonian, to meet the challenge of their more formidable American competitors.

In return, the U.S. has agreed to shelve for the time being its request that more airlines be given designated scheduled routes between the two countries. Mr. Steele said it had been "an adventurous year" in transatlantic air travel, and that Britain wanted more time before adding to existing services.

Mr. Atwood warned, however, that the U.S. would repeat its request for more designated services next year. He believed that if load factors on present routes held up reasonably well through the winter, the U.S. would have a strong case.

CONTENTS OF TODAY'S ISSUE

FEATURES

For latest Share Index 'phone 01-246 8026

UK and U.S. interest rates rise

BY STEWART FLEMING NEW YORK, Nov. 3.

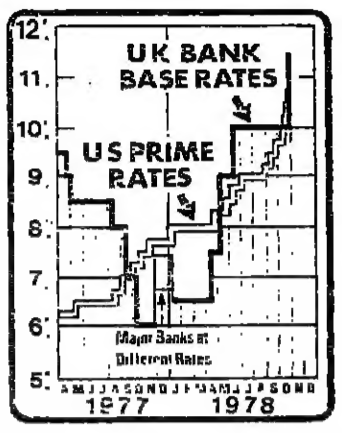
COMMERCIAL BANK prime rates, rose again today—this time to 10¾ per cent as a result of the U.S. Government moves to support the dollar by tightening domestic credit conditions.

This morning Citibank, the second largest U.S. bank raised its prime rate half a percentage point, leapfrogging the 10½ per cent level set mid-week by Chase Manhattan Bank.

Other banks, including Marine Midland Bank, followed suit.

Citibank's statement was interesting in that it confirmed that recent upheavals in the money markets have forced the bank to reassess the the formula on which it bases its prime rate.

The present formula does not apparently fully reflect increased cost of money due to this week's increase in reserve requirements, and the bank is therefore thinking of broadening it to take into account other variables.



Michael Blanden writes:

The increased cost of overdrafts in the UK was confirmed yesterday as the rest of the big banks fell into line with Barclays and raised their base rates for lending by 1½ per cent to 11½ per cent.

At the same time, all the banks increased their deposit rates by 2 per cent, retaining the present differentials. The move left Barclays and Midland offering 9 per cent, and Lloyds and National Westminster on 8½ per cent.

The rises reflected the sharp increase in the general level of short-term interest rates in the London markets, influenced partly by the upward trend in the U.S.

This was again reflected in yesterday's weekly tender for Treasury bills. The average rate on the bills jumped to a level which would have produced an official minimum lending rate of 11½ per cent on the old market-related formula, abandoned in May. The Bank of England, on Thursday, held MLR unchanged at 10 per cent.

The higher level of rates is bringing growing pressure on the building societies to consider an increase in their deposit and mortgage rates.

As well as raising its overdraft rate, National Westminster Bank announced an increase in the rate charged for its fixed-rate personal loans.

This is going up for new loans by ½ per cent to a flate rate of 9 per cent, equivalent to an increase in the true interest rate of 1 per cent to 17.71 per cent.

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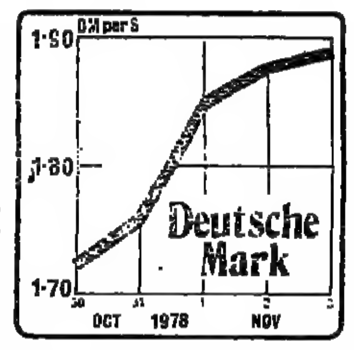
Lex, Back Page

Small gains by dollar

By Peter Riddell, Economics Correspondent



THE DOLLAR made further small gains yesterday in quieter trading conditions after a week of almost unprecedented fluctuation dominated by the U.S. package on Wednesday aimed at halting the fall in the currency.

Foreign exchange markets remained hesitant and qualified in their response to the U.S. action. This was reflected in uneven trading yesterday: the improvement in the dollar tailed off towards the close and some central bank support was reported. At one point, for example, the dollar touched DM 1.9010 before finishing at DM 1.8905 against DM 1.8710 previously.

By last night, the dollar had risen by 9.8 per cent against the D-mark from its low point on Tuesday, by 8.2 per cent against the Swiss franc and by 5.7 per cent against sterling.

There have been parallel fluctuations in the price of gold—up from $234½ to a peak of $245¾ and down to $215½, after a decline of $6 an ounce yesterday.

The variations in the sterling exchange rate this week have generally been smaller than in the rates of stronger Continental

Continued on Back Page
Day in the life of the dollar, Page 14

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OVERSEAS NEWS

Schmidt makes progress in attempt to establish EMS

BY JONATHAN CARR BONN, Nov. 3.

CHANCELLOR Helmut Schmidt has returned to Bonn from his visits to Italy and France with the belief that further obstacles have been cleared away on the path to establishment of a new European Monetary System (EMS) from the start of next year.

During talks in Siena, the Italian Prime Minister Sig. Giulio Andreotti is understood to have been more positive about his country's intention to be in the system from the start than public statements have so far implied.

One key reason is that he believes Italy, as one of the founding six members of the European Community, cannot politically afford to stay outside the system provided certain basic principles are agreed.

One of these is the right of countries with a currently weaker economic performance to have their currencies fluctuate within somewhat wider bands within the system than those of member countries with stronger economies.

This kind of initial "two tier" system was expressly provided for the document on the EMS agreed upon at the Community summit conference in Bremen in July. Italy wants to ensure that similar wording is built into the accord on establishment of the EMS, expected to be reached at the next Community summit in December.

Although the Bank of Italy has pressed for a fluctuation margin for the lira of 8 per cent—Sig. Andreotti is understood to have made clear he believed a margin of 4.5 per cent would still be acceptable. This is exactly double the margin which members of the present European currency "Snake" permit themselves—and which they, together with France, will at least maintain within the new EMS.

Herr Schmidt's talks in Paris with President Giscard d'Estaing revealed that France, like West Germany, would be prepared to accept the 4.5 per cent—and the matter will now come before all prospective members for decision.

Herr Schmidt also pledged Italy support for the idea of subsidising the interest rates on loans provided by the European Investment Bank (EIB) for particularly needy areas of the Community—for example the Mezzogiorno. But the problem of a reform of the Common Agriculture Policy, one key item raised by the British in connection with membership of the EMS, was raised only briefly.

Stewart Dalby writes from Dublin: The Irish Finance Ministry has again strongly denied that the Government has received an offer of a soft low-interest loan of over £650m from West Germany in return for agreeing to join the European Monetary System.

A spokesman for the Ministry said that the Government knew of no such offer and would not be interested in a loan of this kind.

Ireland is seeking a transfer of resources valued at £650m from the EEC over and above what it already receives from the regional and social funds to tide it over a transitional period of five years.

Mr. Garrett Fitzgerald, the leader of the main Opposition party, Fine Gael, and a committed European, has questioned the sums asked for, saying they will not be enough and that Ireland will need at least £650m each year for the next few years.

Page 14: A day in the life of the dollar

Jobless rate fall helps Carter

BY JUREK MARTIN WASHINGTON, Nov. 3.

THE U.S. unemployment rate dropped by 0.2 per cent to 5.8 per cent last month, close to its lowest level in four years.

The decline was surprising in view of the economy's rather modest growth in recent months. With even slower expansion now clearly in store in the wake of the latest anti-inflationary and dollar support measures, a rise in unemployment is widely viewed here as inevitable.

Nevertheless, today's figures can only encourage the Jimmy Carter administration. The President himself is currently on a campaign swing through six states in support of Democratic candidates in next Tuesday's mid-term elections and he will be able to claim success in reducing the unemployment rate, which hovered around 8 per cent when he took office.

The figures also demonstrate that the U.S. economic recovery, now well into its fourth year, has not run out of steam.

Two leading administration spokesmen, Mr. Charles Schultze, chairman of the Council of Economic Advisers, and Mr. Barry Bosworth, Head of the Council on Wage and Price Stability, today told Congress the Administration was prepared to use all the means at its disposal to make the anti-inflation programme work, particularly the wage and price guidelines.

Page 19: The midterm elections in Minnesota

Citibank partial victory

BY DAVID LASCELLES NEW YORK, Nov. 3.

CITIBANK, THE large New York bank which is being sued by a former employee for alleged wrongful dismissal, has won a partial victory in its attempts to prevent disclosure of evidence presented in the case. But Judge Evans of the New York Supreme Court also said the plaintiff, Mr. David Edwards, has the right to certain of Citibank's information which it is trying to withhold.

Citibank said it wanted the court records sealed, on the grounds that the evidence included confidential commercial information. Mr. Edwards' suit arises out of his allegations that Citibank manipulated foreign exchange transactions in order to shift its profits to the best tax area.

Judge Evans ruled that since much of the evidence had already been publicised, there was no point in sealing court records. But he said there may be new evidence which could be protected. He also rejected Mr. Edwards' argument that disclosure of evidence was in the public interest. "Private litigation is not an appropriate vehicle for that," he said.

But the Judge also said Mr. Edwards was entitled to documents which Citibank gave to Mr. Walter Hansen, partner of Peat, Marwick and Mitchell, the accounting firm which is investigating Mr. Edwards' charges at the bank's request. Citibank had tried to block a subpoena served on Mr. Hansen by Mr. Edwards' lawyers. Mr. Edwards was also told to limit public discussion of his case to evidence which had already been presented.

French railway disruption likely

BY ROBERT MAUTHNER PARIS, Nov. 3.

FRENCH RAIL services will be disrupted over the next week as a result of strikes by railway workers protesting against what the unions describe as a general deterioration of living and working conditions.

But the stoppage will not be total. The unions have opted for a "rolling" strike, with different categories of employees coming out in turn, starting with engine drivers tonight.

Main line traffic is unlikely to be badly affected, since the strike organisers, the Communist-led CGT and Socialist-orientated CFDT union groups, can claim the membership of little more than half the engine drivers working for French Railways. The remaining 45 per cent belong to an independent union which signed a wages agreement in July and is not participating in the stoppage.

The two Left-wing unions are demanding a minimum wage of FFr 2,500 (about £300) per month, adjustments to wages above the minimum, higher overtime pay, a 35-hour week and longer holidays, and are also protesting against the closure of lines and low recruitment levels.

Meanwhile, a tripartite conciliation commission, made up of Government, union and shipowners' representatives, met today to try to find a solution to the two-week-old merchant seamen's strike, which has paralysed France's biggest ports. Discussions were expected to continue until late tonight.

The seamen are striking against the employment of Indonesians on cruise ships owned by the Nouvelle Compagnie de Paquebots, who are being paid lower wages than the minimum laid down for French seamen.

The stoppage has already caused serious disruption of France's crude oil supplies, though the situation is not yet critical.

West German unemployment rises

BY ADRIAN DICKS BONN, Nov. 3.

WEST GERMAN unemployment rose slightly in October, thanks to normal seasonal factors, but the head of the Federal Labour Office, Herr Josef Stingl, said that the increase of 37,000 to 901,600 showed that there was now a clear-cut cyclical improvement. The unemployment rate was up from 3.8 to 3.9 per cent.

While the unemployment figures show that absolute levels remain high by West German standards, they also now hint at some of the shortages already being felt in individual sectors. The full-time unemployment rate among males is down to 2.9 per cent, although among females it remains at 5.3 per cent. There was little change in the number of unfilled vacancies compared to September, with a rise of 28,000 to 248,000 compared to October, 1977.

The other indicators published today emphasised the currently satisfactory pace of the West German economy. The Retail Price Index slowed from 2.2 per cent in September to only 2.1 per cent in October—the lowest annual rate since 1969. This favourable result was largely because of cheaper seasonal food prices, however. Without these, prices were up by 2.5 per cent from a year ago.

New orders to manufacturing industry, meanwhile, were up by an overall 1 per cent in September compared to August. The main impulse came from domestic orders for capital goods, up by 9 per cent thanks to a few very large contracts.

● Guy Hawtin adds from Frankfurt: The West German metal industry today reported that business has livened up considerably since the beginning of the year. However, in many respects the improvement has served mainly to compensate for setbacks the industry suffered at the beginning of 1975.

According to Gesammetall, the metal industry's employers' association, utilisation of production capacity remains generally unsatisfactory. On the other hand there were numerous reports that output was being hindered by manpower shortages.

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Iran oil increase in strike region

By Andrew Whitley

TEHRAN, Nov. 3.

OIL PRODUCTION from Iran's strike-bound Khuzestan fields was up to 2.5m barrels today, according to a spokesman for the National Iranian Oil Company, confirming the encouraging trend noted yesterday.

The spokesman said that it was also hoped to increase throughput at the giant Abadan refinery today, from 380,000 to 480,000 barrels, as another unit is brought on stream again. The refinery normally runs as close to its maximum capacity of 640,000 barrels a day as possible, and any prolongation of the shortfall there would soon have had an effect on domestic supplies, especially for the middle distillates such as petrol and gas-oil for heating.

For domestic political reasons NIOC therefore appears to be making all efforts to avoid inconvenience for Iranians as a result of the strike. In public, NIOC is maintaining its mildly optimistic attitude, but tomorrow, when all the strikers are due to return to work or face dismissal, could be a decisive day.

Sources in Ahwaz, the headquarters of the oilfields, cast doubt on the extent of the production recovery so far, claiming that yesterday's output was only 1.7m barrels, compared with the 2m plus that the management were privately saying would be achieved.

Nevertheless, some loadings for export are clearly going ahead again, although probably at no more than one tanker a day, compared with the five or six that could be expected at a period of peak demand like this.

Mammoth, peaceful marches are reported to have taken place in the two main cities of the oilfield region, Ahwaz and Abadan. In Abadan last night, religious leaders led a huge parade through the city. Among their 14-point list of demands were the dismissal of foreign advisers and the total dissolution of the security police, Savak.

Another alarming example of the depth of anti-Western feeling in Iran came yesterday, when the site offices of the American Fluor Corporation within the oilfields were set on fire.

In Ahwaz itself, Tehran Radio reported today that 200,000 people marched through the city, through local sources cast doubt on the number of demonstrators.

China starts to woo ASEAN states

By Richard Nations in Bangkok and David Housego in London

THE CHINESE Vice-Premier Teng Hsiao-peng arrives in Bangkok on Sunday at the start of a five-day visit which coincides with signs of increasing fighting between Vietnam and Cambodia as the floods recede in Indochina with the approach of the dry season. It is the most important visit to the region by a Chinese leader since the death of Chairman Mao Tse-tung in 1976.

The U.S. yesterday expressed its concern at the UN at the threat to stability in the region from the intensified conflict between the two states. At the same time Vietnam has claimed that many of its frontier troops were wounded on Wednesday during a major clash when Chinese forces tried to occupy positions inside Vietnam's Cao Lang province, over 100 miles north east of Hanoi.

Teng's trip, which is to be followed by a visit to Malaysia, is aimed at winning the support of the Association of South East Asian Nations (ASEAN) for China's cause in its dispute with Vietnam and Russia.

● Vietnam and the Soviet Union today signed a treaty of "friendship and co-operation" which set the seal on the close alliance between the two Communist states, Reuter report from Moscow.

The accord, Moscow's first with a Southeast Asian country, was announced at the end of a three-day visit by the Vietnamese Premier, Mr. Pham Van Dong and the Communist Party chief, Mr. Le Duan.

Baghdad summit discusses fund

BY ROGER MATTHEWS BAGHDAD, Nov. 3.

DISCUSSIONS at the Arab summit meeting in Baghdad now appear to be concentrated on the establishment of a multi-billion dollar action fund to assist those countries directly confronting Israel.

Many of the 21 delegations today held private meetings in groups of two or three before resuming another formal session this evening.

As the delegations have apparently decided that there cannot be agreement on a joint plan of action against President Anwar Sadat of Egypt for his unilateral peace overtures to Israel, at least until after a peace treaty is signed, efforts are being directed towards the less-contentious issues which can still be presented as demonstrations of Arab unity.

The original sum of $9bn was suggested by Iraq, but it was recognised that no amount of cash aid could tempt President Sadat away from his chosen course of signing a peace treaty with Israel. Instead, a smaller but still substantial sum is likely to be provided annually for Syria, Jordan and the Palestine Liberation Organisation.

Saudi Arabia, Kuwait and the other Gulf oil-producing States find this a more acceptable form of action as it involves financial rather than political decisions. Kuwait is reported to have offered $1.5bn at the Foreign Ministers' meeting.

However, it may prove difficult, as this week's preparatory meeting of Foreign Ministers proved, to agree on the size and method of financing the fund. It is understood that some of the more hard-line countries have been urging an oil price increase as a way of fuelling the fund.

In his speech to the summit last night, Mr. Mahmoud Riad, the Egyptian Secretary-General of the Arab League, emphasised the necessity of the meeting taking only decisions which could be implemented effectively.

"The Arab nation does not lack the material and human resources, and it has the ability to plan and implement," he said.

He recalled that only two countries, Egypt and Syria, planned the October, 1973, war. "The other Arab countries did whatever they could to render military and economic support. The oil weapon was also used, and thus victory was achieved."

Ugandans 'blow up bridge'

BY OUR OWN CORRESPONDENT NAIROBI, Nov. 3.

UGANDAN FROGMEN and civilian mining engineers blew up the Taka Bridge over the Kagera River, Western Tanzania, today.

Uganda has seized 710 square miles of Tanzania and has announced that the frontier with Tanzania now runs along the river, where Ugandan troops are well dug in.

The bridge was built only a few years ago. Previously, there was a ferry crossing at the same point.

President Idi Amin suggested today that he and Tanzanian President Julius Nyrerere should settle their differences in the boxing ring — without endangering the lives of any more soldiers.

President Amin, a former heavyweight boxing champion of Uganda, said he was prepared to have one hand tied behind his back and to wear weights on his legs. Muhammad Ali should be the referee, he suggested.

AP adds from Dar-es-Salaam: thousands of Tanzanians were preparing today to undergo daily weapons training here, as the Government prepares for mass mobilisation to counter the invasion.

The men, who have all had previous military training, were ordered at this morning's meeting at Ilalla Stadium, in Dar-es-Salaam, to begin training from Monday afternoon.

The meeting was called after Nyrerere's speech yesterday, when he said the Government would repel the invaders.

Western diplomatic sources reported today that Tanzania was moving an undisclosed number of tanks from the north-eastern Arusha and Tanga areas near the Kenyan border, to the western Lake Victoria district, where the latest fighting has taken place.

A military communique earlier this week said an undisclosed number of Tanzanians were fighting 2,000-3,000 Ugandan soldiers in the north-western district town of Kyaka.

Ugandan invaders were said to have crossed the Taka Bridge to the northern outskirts of Kyaka, on the Kagera River's south bank.

Muzorewa on poll delay

BY TONY HAWKINS SALISBURY, Nov. 3.

BISHOP ABEL MUZOREWA, leader of the United African National Council, said on his return to Salisbury today that there was no reason for delaying the handover to black rule on December 31.

The nationalist leader was commenting on the weekend statement by Prime Minister Ian Smith that "for purely technical reasons" it would not be possible to hold elections in December. The Rhodesian Government has said elections must be postponed until the Constitution is completed.

Meanwhile, Rhodesian Combined Operations Headquarters today announced that 24 more people had died in the guerrilla war in Rhodesia, bringing the total for the first two days of November to 78. Two members of the security forces were among those killed.

Michael Holman adds from Lusaka: It now appears clear that the Zimbabwe African People's Union (ZAPU) installation, six miles west of Lusaka, bombed yesterday by Rhodesian aircraft, was a storage depot, with limited military significance. The camp had sheds containing food, clothing and bedding, and a workshop which could service about 50 vehicles. Between 10 and 20 men died and about 50 were injured in the attack.

Key by-election for Mrs. Gandhi

BY K. K. SHARMA NEW DELHI, Nov. 3.

POLLING in the key parliamentary by-election at Chikmagalur constituency, in Karnataka state, will take place tomorrow. On its result will depend the future of Mrs. Indira Gandhi, who has staged a remarkable political comeback. Rejected by the electorate in Uttar Pradesh—like the rest of her Congress Party candidates—in the general election of March, 1977, the former Prime Minister has come a long way from the political wilderness into which she went on her defeat at the end of her 19 months of Emergency rule.

Since then, she has again split the Congress and emerged as the main challenger to Prime Minister Morarji Desai's Government and the divided Janata Party. A major reason for Mrs. Gandhi's decision to stand for Parliament is the Government's decision to press charges against her of corruption and abuse of power. She hopes thereby to substantiate her claim that the charges are politically motivated.

Mrs. Gandhi is still uncertain of her standing in the country, however, as demonstrated by her choosing a South India constituency to contest, even though five other parliamentary by-elections are due soon in northern states, including her own state of Uttar Pradesh. The north felt the full impact of family planning "excess" and other aspects of the Emergency.

The Chikmagalur constituency was chosen by Mrs. Gandhi because she considered it safe. However, Janata leaders overcame their initial diffidence about challenging her on what is her wing of the Congress Party's home ground, and mounted a vigorous campaign led by the Minister of Industry, Mr. George Fernandes, who is known for his organising ability. The past three weeks have seen hectic electioneering, which has been marred by considerable violence. Tension is so high that Indian government police forces have been deployed in the constituency to ensure a peaceful poll.

Most observers believe Mrs. Gandhi will win, although a close contest is certain. Her victory could change the shape of Indian politics, since she would then become the leader of the official Opposition in Parliament. Since the Janata Party is deeply divided, she will attempt to topple the Government by persuading dissatisfied groups in the ruling party to defect. Her victory could thus have a destabilising effect. On the other hand, should she be defeated, Mrs. Gandhi will find it difficult to stage another political comeback.

U.S. move on China arms

THE U.S. Secretary of State, Mr. Cyrus Vance, gave the go-ahead today to members of the North Atlantic Treaty Organisation (NATO) who have been negotiating about arms sales to the People's Republic of China.

"In so far as other nations are concerned, this is a matter which each of them must decide for itself," Mr. Vance said at a news conference. The Chinese have been talking to France, West Germany, and Great Britain about possible weapons sales. They reportedly are close to an agreement with France for a major purchase of anti-tank weapons.

The sales of weapons to China is a sensitive issue in Soviet relations with the United States and Western Europe, since the Russians feel that the Chinese represent a military threat to them. Mr. Vance said that U.S. policy remains opposed to sales from Washington to Peking or to Moscow. But his statement that other nations are free to decide for themselves was a departure from past U.S. formulations.

Meanwhile, in Moscow, the Soviet Union made its first public comment today on the 50-year prison terms given to two convicted Soviet spies in the U.S., calling it "a monstrous sentence" and warning that U.S. authorities must take full responsibility for its "consequences."

The Soviet television commentator, Mr. Dmitri Morozov, speaking on the evening news programme "Vremya," demanded the immediate return to Moscow of Mr. Rudolf P. Chernyayev, 43, and Mr. Valdik A. Enger, 39, who were convicted on October 23 of conspiring to obtain secret U.S. defence data and of spying. The two men, Soviet UN employees until they lost their jobs after the trial, are now free pending appeal. "This monstrous sentence has crowned the crudest police provocation," Mr. Morozov declared.

Mr. Morozov defended the two Russians, saying they were not involved in any conspiracies and denouncing the entire New Jersey court trial as an "absurdity," that lacked any concrete evidence.

Also appearing alongside the Soviet television commentator was the Soviet diplomat Mr. Vladimir Zinyakin, who had been arrested along with Mr. Chernyayev and Mr. Enger and was later released because of diplomatic immunity. Mr. Zinyakin told Russion television viewers his account of the arrest, calling it "an extraordinary attack by bandits." Agencies

BL sacks Benelux chief

BY CHARLES BATCHELOR AMSTERDAM, Nov. 3.

THE ROW between BL (formerly British Leyland) and Mr. Jan De Kleermaeker, the head of its Benelux operations, has led to Mr. De Kleermaeker's sacking. The differences of opinion between BL and Mr. De Kleermaeker, aged 41, were too deep for an effective relationship to continue, Leyland Nederland said today.

The differences are over BL's future sales policy in the Benelux countries, a Leyland Nederland spokesman said. BL has a new sales policy for the continent, with the Netherlands designated as one of five major markets for a sales effort.

Speaking from his home in Hilversum, Mr. De Kleermaeker said: "I could no longer agree with the sales policy for Benelux which was gradually being imposed on me from the UK." The decision to ask Mr. De Kleermaeker to resign was taken at a meeting of the shareholders of Leyland Nederland—in effect BL executives—held at the company's Gouda headquarters yesterday.

Mr. De Kleermaeker, who has been managing director of the Dutch firm since 1972, and of the Belgian and Luxembourg operations since 1975, was suspended in the middle of last month.

No decision has been taken on who will succeed him. Mr. Peter Morgan, aged 43, BL's managing director in Italy, has been acting as head of Leyland Nederland since Mr. De Kleermaeker's suspension. It is not known if the new managing director will be Dutch or English.

Forecast of record grain crop

By John Edwards, Commodities Editor

BUMPER HARVESTS in Western Europe, the Soviet Union and the U.S. should ensure that grain supplies reach a record level this season, according to latest estimates by the U.S. Department of Agriculture.

The Department has raised its forecast for the world grain crop (including rice) in the 1978-79 season ending June 1979, to a record 1,398m tonnes —76m tonnes above last season and 45m tonnes more than the previous peak in 1976-77.

Although consumption is also expected to rise by 40m tonnes to 1,369m tonnes, by next June world stocks are projected to have risen by 29m tonnes to 213m—the highest level for [illegible] years.

However, prices are expected to be held up by heavy buying by China, and by other countries taking advantage of the decline in the dollar to buff up their grain stocks, as well as farmers in the U.S. holding supplies off the market with the assistance of Government schemes to finance private and public storage.

The Agriculture Department announced that Peking has bought an additional 800,000 tonnes of maize (corn), its second grain purchase this week. Chinese purchases this year total 4.5m tonnes—1.3m tonnes of maize and 3.2m tonnes of wheat—and drought conditions in China may well mean extra buying.

Nicaragua protects reserves

By Hugh O'Shaughnessy

MANAGUA, Nov. 2.

FOREIGN EXCHANGE operations were halted today in Nicaragua by order of the Central Bank as a measure to safeguard the country's dwindling reserves. The only exception will be the payment of bills for education expenses abroad.

A local commercial banker said that he expected the ban to be lifted after the weekend.

The Central Bank move follows the International Monetary Fund's decision to postpone for several weeks a decision on the application by General Anastasio Somoza's Government for some $20m from the IMF compensatory finance fund.

Go-ahead for Ranger project

CANBERRA, Nov. 3.

THE AUSTRALIAN Government and representatives of Northern Territory Aboriginal communities signed the long delayed Ranger uranium mining agreement today, clearing the way for work to begin on the development of the world's largest unexplored uranium deposit early next year.

Mr. Ian Viner, the Minister for Aboriginal Affairs, and Mr. Galarrwuy Yunupingu, the chairman of the Northern Land Council, announced tonight that the agreement had been signed at Oenpelli near the project site.
Reuter

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HOME NEWS

Bill would ban 'rogue' estate agents

BY ELINOR GOODMAN, LOBBY STAFF

THE director-general of fair trading will have power under a Bill published yesterday to ban "rogue" estate agents from trading.

The proposed legislation, promised in the Queen's Speech, is similar in most key respects to the Private Member's Bill on estate agents talked out in its Report Stage by a small group of Conservatives in the last Parliamentary session.

Now, as a Government Bill, it would seem to stand a good chance of getting on to the Statute Book.

Under it estate agents must maintain a separate account for their clients' money and pay any deposits received into it. Such deposits must be covered by insurance or other form of indemnity.

Agents will be required to tell clients exactly what their fees are in advance, and declare any personal interest in the transaction.

The banning procedure will be slightly more drawn-out than under the original Private Member's Bill. Whereas under Mr. Bryan Davies' Bill the director-general would have had the power immediately to prohibit an agent from trading if he found the agent in breach of the criteria laid down, under yesterday's Bill the agent would have to be warned of a possible ban first.

The offences for which an agent could be banned include fraud and breaches of the racial and sex discrimination Acts. Companies faced with a ban will have the right of appeal.

The Bill is also rather wider in its coverage than Mr. Davies's Bill.

As well as estate agents it covers housing associations, local authorities and housing corporations.

The Government published details yesterday of another piece of legislation which had twice failed to get on to the Statute Book.

The Public Lending Right Bill will establish a fund of up to £2m a year, twice the limit proposed in the Bill filibustered out at Report Stage two years ago, for payment of authors whose books are borrowed from public libraries.

The Education Secretary will, with the consent of the Treasury, be able to increase this limit by Order, subject to the approval by the Commons.

UK mission seeks Chinese electricity supply deals

BY ROY HODSON

BRITAIN is bidding for a part in the development of the Chinese electricity supply industry.

Sir Frank Tombs, chairman of the Electricity Council, is leading a delegation from the industry on a three-week tour of China later this month. The hope is that closer contact will lead to design contracts for generation and distribution installations and, ultimately, to the placing of hardware orders with the British electricity plants industry.

A Chinese technical mission toured the British electricity industry earlier this year.

Midland Bank Base Rate

Midland Bank Limited announces that with effect from Mon. Nov. 6th 1978 its **Base Rate** is increased by 1½% to 11½% per annum.

Deposit Accounts. Interest paid on accounts held at branches and subject to 7 days' notice of withdrawal is increased by 2% to 9% per annum.

Personal Credit Plan Accounts. With effect from Mon. Nov. 6th 1978 interest paid on credit balances will be increased by 1% to 6% per annum and interest charged on overdraft balances will continue at 18% per annum. The effective annual equivalents of these rates on the basis of annual compounding are 6.09% and 18.81% respectively.

Midland Bank

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Tandem output swells

BY MAURICE SAMUELSON

BICYCLES-made-for-two are staging a minor comeback on Britain's roads, according to a manufacturer of specialist cycles.

At the small Stratford-upon-Avon factory of W. R. Pashley output of tandems has risen from 150 a year to 1,000 since the company began building them two years ago. Mr. Richard Pashley said his old family business could barely keep pace with demand.

The return of the tandem is part of the general revival of British cycling, which has led Pashley to produce adult sports tricycles, in addition to their traditional commercial tricycles and heavy Post Office bicycles.

This year bicycle sales, after a 10 per cent fall last year, are expected to return to the 1m level of 1976, double the figure of 10 years ago.

TI Raleigh, the leading manufacturer, said much of the growth had been in sports cycles, which have doubled to about 40 per cent of the market in the past three years. Sales of adult cycles, which used to be 40 per cent of the total, have drawn level with children's.

This year Raleigh, which claims 60 per cent of the market, hopes to sell about 650,000 cycles, in addition to the 1.2m for export.

Berwick defeat not Heath's fault, says Thatcher

MRS. MARGARET THATCHER last night dismissed the arguments following Mr. Edward Heath's speeches on incomes policy as a "very artificial debate."

In an interview with ITN, the Tory leader said: "The only possible difference is whether you have an average or a norm. There is no point in debating that. By the time you get to this stage in an incomes policy, a rigid norm will not hold. The Government knows that."

Mrs. Thatcher said that she did not blame Mr. Heath's arguments for the Conservative defeat at Berwick. "I have never blamed anyone for stating their views."

But she added: "The debate has been very artificial."

Mrs. Thatcher said that an incomes policy would not have been enough to satisfy the International Monetary Fund during the 1976 economic crisis. "They insisted on a lot more besides . . . that the Government did not flood the economy with money . . . that it cut down on public spending . . cut down on the amount it borrowed

"These are the things that are absolutely vital if you are to contain inflation. Pay policy on its own just would not be enough."

She said there were times when, just as interest rates had to be increased, there had to be a pay policy. "In the sense of a freeze and a first phase coming out of the freeze." After that, all incomes polices based on a rigid norm got into difficulties.

Asked whether a Tory Government would take responsibility for pay, Mrs. Thatcher declared: "No Government can take responsibility for how much each and every person is paid. You cannot run industry that way. How absurd, if every single decision should have to go up to centre.

Biscuit-makers fear EEC costs

EEC transport regulations proposing a reduction from a maximum shift of 10 to eight hours a day for drivers would add £800m to labour costs if not offset by increased productivity, Mr. David Cramb, chairman of the Cake and Biscuit Alliance, said yesterday.

The increased costs would inevitably raise prices to the housewife, Mr. Cramb said at the alliance's annual lunch.

EEC transport regulations were not the only dangers from Brussels, he added. All legislative output from Brussels should be carefully "monitored."

The powerful sugar-beet lobby in the Community sought to legislate to control production and use of isoglucose, a cereal starch about £10 a tonne cheaper than conventional sugar and cheaper even than glucose, to the advantage of the more expensive beet sugar.

● NEWS ANALYSIS—ISOGLUCOSE

A controversial ruling

BY LISA WOOD

CONFLICTING INTERPRETATIONS of a European Court of Justice ruling on a production levy imposed last year by the EEC Commission on isoglucose has not dampened the industry's optimism concerning the substance's commercial future.

Isoglucose is a maize-based, high fructose syrup that can replace sugar as a sweetener. Tunnel Refineries, of Greenwich, the UK's largest producer of the substance, feels that the ruling will allow the industry to progress without further restraint by the EEC Commission.

The commission imposed the levy after fierce lobbying from EEC sugar beet growers and refiners. Its validity was challenged in the European Court by the three main European producers of the sweetener: Tunnel (which is partly owned by Tate and Lyle); Koninklijke Scholten-Honig (KSH) of the Netherlands; and GR Amylum, of Belgium, the biggest. They said they were suffering discrimination in favour of beet sugar producers.

The court ruled that the production tax, £29.30 a tonne, was unfair. It said that the levy violated the principle of equality between isoglucose manufacturers and beet sugar refiners.

It said that although the levy of 5 Units of Account a kilo had been calculated according to a formula that took into account a beet sugar production levy of 9.8 Units of Account a kilo, the isoglucose producers were more severely handicapped. Beet sugar refiners were able to pass on three fifths of the levy to beet producers.

The ruling has been referred back to national courts in the Netherlands and UK, which first referred the case to the European Court.

It has been interpreted by the EEC Commission as not opposing the isoglucose levy in principle, rather finding it too high but not indicating by how much.

Tunnel, however, has taken the judgment to be that the levy itself is invalid. Mr. Bernard Smartt, its managing director, said: "We are proceeding on that basis and we are optimistic of better days to come."

Isoglucose, a cereal starch, is about £10 a tonne cheaper than conventional sugar and nearly as sweet. EEC beet sugar producers said that it represented unfair competition to them because it was not subject to quota restrictions and financial costs imposed on sugar under the Common Agricultural Policy.

Bankrupt

Tunnel opened an £8m factory at Greenwich last year to make isoglucose.

KSH, which started work on a factory in Tilbury that never started producing the substance, was declared bankrupt in September. Mr. Eric Krop, company secretary, said yesterday that the levy had been a "death blow."

The Dutch factory at Koog closed last January. Mr. Krop said: "Now we are an empty shell with debts."

Tunnel said that the levy had made isoglucose manufacture uneconomic. The company has been withholding payment of the levy pending the outcome of the case.

Tunnel has an isoglucose production capacity of 31,000 tonnes. The total European capacity is about 150,000 tonnes. Because of the levy, Tunnel is working at about a fifth of capacity.

Its main customers are in the soft drinks and food manufacturing industries. Demand from the former was affected this summer when poor weather cut soft drinks consumption.

The company employs more than 570 workers. All its production activities are based on maize, which is split up into animal protein feeds (30 per cent of the grain), maize oil (3.5 per cent) and starch.

Starch undergoes acid and enzyme hydrolysis to produce a range of glucose syrups, powdered glucose and, by another treatment, isoglucose, with a 42 per cent fructose content. Ordinary sugar can be turned into invert sugar by heat and acid treatment and contains 50 per cent fructose and 50 per cent glucose.

The economics of production are such that the cheaper cereal starch is becoming increasingly attractive to drinks manufacturers in particular.

KSH, Tunnel and GR Amylum are seeking damages but a further ruling is needed to clarify whether they are to be paid.

Mr. Smartt said that apart from this case, isoglucose manufacturers were fighting a case for a proper place to be established for their industry within the EEC.

He considered it vital to encourage starch technology, since modified starches, based on maize, could also be developed to replace certain oil-based petroleum products and to produce bio-degradable plastics.

Cabinet restricts school dinners price rise to 5p

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

PLANS TO CUT £100m from public spending by a phased increase from 25p to 45p in the price of a school dinner by next autumn, have finally been abandoned by the Cabinet.

Instead, an increase of only 5p will be brought in next September, leaving the charge covering less than half of the cost of the dinners, which are subsidised by about £400m a year.

Intentions of reducing the subsidy were outlined in the White Paper on Expenditure in February, which indicated price increases of 10p this autumn and of a similar sum next year.

The year's increase was cancelled by the Chancellor in his April Budget, probably in anticipation of a general election. But the 10p increase for next year remained an open question until the Cabinet decided to cut it by half in time for an official announcement to be made next week.

Meanwhile, the Government will raise the minimum income limits below which families are entitled to have their children supplied with a meal free of charge.

At present, parents with one child at school have the charge cancelled if their net income is below £40.15 a week, about £63 gross. The corresponding limits for those with two school-children are £46.75 net, £72 gross; and for those with three £53.35 net, about £80 gross.

It was estimated that in May, 4.8m school dinners were being taken each day in England, of which 1.2m were supplied free of charge. The previous May's figures were 5.4m, of which 0.8m were supplied free.

The taxpayers' subsidy to the service was reduced from £441m on a gross cost of £590m in 1976-1977 to a provisional £397m on £566m last year, largely because of economy measures which included restrictions on the number of meals given free to teachers and school assistants.

The decision to cut the price rise to only 5p, however, seems certain to cancel out the economies and lift the subsidy element well above last year's level, where it repersented about 70 per cent of the total cost of the school meals service.

John Hunt writes: proposals for unions and employers' representatives to sit on the governing bodies of secondary schools will come before the Commons this session, Mrs. Shirley Williams, Education Secretary told MPs yesterday.

But her speech, opening the education debate on the Queen's Speech, received a hostile reception from Mr. Norman St. John-Stevas, Conservative "Shadow" Education Secretary.

He claimed that the items she wanted to put in the forthcoming Bill had been severely truncated by opposition within the Cabinet.

"We always knew it was going to be a rag-bag of a Bill," he declared. "But we didn't know she was going to have such difficulty in choosing which particular rags she was going to put into it."

Outlining her plans for the coming session, Mrs. Williams said that much of the detail of the composition of governing bodies would still be a matter for local discretion.

There would be a statutory requirement to provide for a minimum number of parents and teachers on each governing body.

Her Bill would also "strike a new balance" by giving parents a greater choice of school for their children.

Mrs. Williams indicated, however, that there would be nothing in the Bill to implement her much publicised promise for weekly cash grants to be paid to sixth-form pupils to encourage them to stay on at school.

According to Mr. St John-Stevas, this proposal had been ditched because Mr. Albert Booth, Employment Secretary, had refused to allow funds from his department to be used for that purpose.

Burmah goes to Appeal

By Christine Moir

LORD DENNING is to hear Burmah Oil's Appeal Court case to force the Government to release confidential papers relating to Burmah's former holding in British Petroleum. The three-day hearing is due to begin on November 21.

Burmah was refused permission in July to apply for an order compelling the Government to release the papers.

Burmah believes the papers may be crucial to its legal proceedings against the Bank of England. These relate to the BP Holding which Burmah pledged to the Bank in 1974 in return for a rescue package.

The Government has claimed—successfully so far—that the papers have "Crown privilege" and should not be released.

Electronic engineers 'in short supply'

BY JOHN LLOYD

THERE is a "critical shortage" of skilled electronics engineers at a time when rapid introduction of microelectronics creates an increasingly greater need for experts, said the Duke of Kent, chairman of the National Electronics Council, yesterday.

In a letter to The Times he said that one was reminded "almost daily" of widescale, imminent changes to be ushered in by adoption of microelectronic technology.

"Whereas in the past machines extended the capacity of human muscle, now electronics greatly extend the ability to use human logic, experience and even intuition. Electronics is more than "just another" industry: it amounts to a new way of life.

There was already a shortage of skilled people in the industry. Supply was "down to half the demand in many leading companies."

The Duke's remarks come at a time when a number of significant developments, especially in the microelectronics sector, are about to be announced.

General Electric, in partnership with the UK company Fairchild, will shortly begin work on a plant to make electronic chips, probably in Cheshire. Inmos, the microelectronics company backed by the National Enterprise Board, is likely to announce establishment of a research and development centre before the end of the year, to employ about 500 pople.

The leading telecommunications companies, GEC, Plessey and Standard Telephones and Cables, are developing the all-electronic System X exchanges, while both large and small electronics companies are at various stages of developing new products incorporating microelectronic technology.

One way to cope with the problem will obviously be a hefty raising of wages. This week Mr. Wilfred Corrigan, chairman of Fairchild, said that he would be prepared to pay 30 per cent above market rates to attract skilled staff to the GEC-Fairchild venture.

British Caledonian traffic up by half

BY LYNTON McLAIN

BRITISH CALEDONIAN Airways reported its best year of operations on the Gatwick to South America service yesterday—the day after the airline felt the first impact of Spanish Government ban on its landing rights at Madrid, on the route to Rio de Janeiro.

The sanction was imposed by Spain last week after Iberia, the Spanish airline, had won a declaration in the UK High Court that the Trade Department and the British Airports Authority had no legal right to force Iberia to transfer flights from London's Heathrow Airport to Gatwick.

The ban on landing at Madrid would probably cost the British airline up to £750,000 in lost profits each year. Madrid is an important staging post for British Caledonian flights to Rio de Janeiro, Sao Paulo and Buenos Aires.

Thursday's departure from Gatwick for South America was forced to land at Lisbon, and the airline said it did not expect to pick up nearly as much traffic from the Portuguese capital as it had done during the past year from Madrid.

The number of British Caledonian passengers on flights to Brazil, Chile and Argentina, was up by half and first class traffic rose by two thirds in the 12 months to last month compared with the previous year.

The improvement in the performance of the UK flag carrier to South America came after the introduction of wide-bodied DC-10 aircraft on the route, and further improvements are planned. These may include a fourth flight each week from Gatwick to Rio.

BCal's improved performance on its South American routes came as the International Air Transport Association reported a 14 per cent growth in the number of passengers on all routes to and from South America during the first eight months of this year, compared with the same period last year. On the North Atlantic, IATA members reported a 21 per cent rise in passenger numbers in the same period.

Northwest Airlines of Minneapolis, U.S.A. is to start a transatlantic service in March. The flights will operate from Minneapolis, Detroit and New York to Copenhagen and Stockholm. In April the airline will begin daily flights to Prestwick, Scotland, Copenhagen and Stockholm from Seattle, Minneapolis, New York and Boston.

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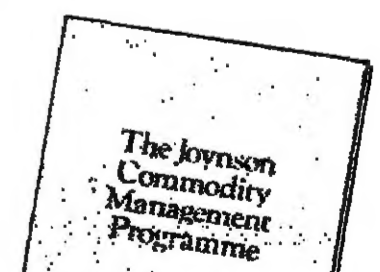

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HOME NEWS

LABOUR NEWS

U.S.-Swiss link may disclose insider dealing

BY CHRISTINE MOIR

INSIDER DEALERS may find it harder to hide behind numbered accounts in Swiss banks as a result of a new relationship between the American Securities and Exchange Commission and the Swiss Authorities.

This claim was made yesterday by Mr. Stanley Clinton Davis, UK Parliamentary Under-Secretary of State for Companies.

While he was in New York earlier this week, Mr. Davis said he had raised with the Commission the problem of getting the traditionally secretive Swiss banks to release information about their clients in cases where individuals are thought to have taken profits as a result of dealing on confidential information.

"The SEC claims it has built up most useful connections with the Swiss authorities which, to some extent, reduce the problem," he said.

Mr. Davis said he intends to instruct his department to investigate this with the SEC.

A number of investigations into insider dealing by the London Stock Exchange in recent years have had to be abandoned because Swiss banks refused to disclose details of clients' accounts.

Audits rule relaxed in companies Bill

BY CHRISTINE MOIR

COMPANIES WILL, after all, be able to pay dividends under the new Companies Bill even if their accounts have not received an unblemished auditors' report. But the directors responsible will run the risk of legal action from shareholders or creditors if their decision proves rash.

That is one of the important handful of changes between the fully fledged Bill, published yesterday, and the White Paper on Changes in Company Law produced earlier this year.

The White Paper had laid down that companies could not pay dividends if their accounts had been qualified by the auditors. Now, after a qualification, the auditors will be required to state whether it is "material" to the distribution of dividends. But the onus of deciding whether to pay the dividend will rest firmly on the directors.

The Bill also contains stronger legal support for individuals or minority groups who believe that their interests have been oppressed by the company. Otherwise it is virtually identical to the White Paper.

No substantial changes have been introduced into the section on insider dealing, although City institutions have been anxious that the present wording conceals important difficulties.

Presenting the Bill yesterday, Mr. Edmund Dell, Secretary for Trade, said that he believed the clauses on insider dealing "dealt satisfactorily" with the basic anxieties. They would not prevent "honest and honourable dealings" by people such as investment analysts who happened to obtain confidential information by virtue of their positions.

Mr. Dell would not comment in detail on Wednesday's submissions from the Council for the Securities Industry beyond saying that he thought that certain of its fears were not justified. However, he will shortly be holding discussions with the council. "I am prepared to do rather less than needed to be done over insider dealing rather than cause more harm than good," he said.

An important issue of interpretation emerged yesterday over status of property investment companies. It appears that they may not be classified as investment companies because their finance comes from third-party borrowings rather than from shareholders.

The Bill, which received its first reading on Thursday, is expected to get its second reading within a fortnight.

H. Boot chief quits over 'differences'

BY ARNOLD KRANSDORFF

A JOINT managing director of Henry Boot and Sons, the Sheffield-based construction and engineering company, has resigned because of "irreconcilable differences with his Board colleagues." Last week the group announced a £1.8m turn-round to losses of £840,000 for the first half of this year.

The director concerned is Mr. John Parkinson, who has also stepped down as chairman of the group's building subsidiary, Henry Boot Construction.

Mr. Edward Boot, chairman of Henry Boot and Sons, said yesterday that Mr. Parkinson's resignation "should not be materially connected with the company's half-time loss."

However, he admitted that it was "not entirely unconnected" with the heavy losses from local authority housing contracts in the Midlands. Mr. Boot said that, although Mr. Parkinson was not personally involved with the management of the contracts, "he shared overall responsibility for them."

Mr. Boot added that Mr. Parkinson would be getting "reasonable severance pay," although he declined to say how much.

It is known that Mr. Parkinson was not on a fixed-term contract with the company, and that his earnings were between £42,500 and £45,000 a year. He is aged 50.

Mr. Parkinson joined the group nearly 10 years ago. In 1970 he was appointed managing director of Henry Boot Construction and held that position until the end of last year when he was appointed chairman. He was appointed joint managing director of the parent company at the same time.

Mr. Parkinson was unavailable for comment yesterday. He was said to be en route to Nigeria, to settle some company business.

Power billing changes urged

BY ROY HODSON

THE PRICE of electricity will be adjusted less frequently if new recommendations by the Electricity Council are accepted nationally.

The proposal is that the fuel cost adjustment to quarterly electricity bills to take account of energy price movements be consolidated into basic electricity tariffs.

It will be up to area electricity Boards in England and Wales to decide whether to introduce the change.

Scotland has different tariff structures and is not affected.

The council said last night that the price of coal and oil had remained reasonably stable since July. Consolidation of fuel cost adjustment would not affect the amount to be paid by customers.

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7 Day Deposit Accounts 9% p.a.

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Silkin denies fish concessions to EEC

BY RICHARD MOONEY

MR. JOHN SILKIN, the Agriculture and Fisheries Minister, said yesterday that Britain had made no concessions on her fundamental demands for a new EEC fisheries regime since last month's Bonn summit meeting.

The more moderate line on fisheries negotiations by Mr. Silkin since the meeting had led to speculation that the Government might be preparing for a "sell-out."

Mr. Silkin said in London yesterday: "The UK position remains unchanged. I have conceded nothing except a willingness to enter this new phase of the negotiations in a constructive spirit, without recriminations about the past."

Reports from last week's meeting of the Council of Agriculture Ministers in Luxembourg suggested that Mr. Silkin had made a significant concession in expressing willingness to consider the "historic rights" of foreign fishermen in Britain's inshore waters if he were offered an incentive to do so.

The Minister said that the West Germans had softened their position on this question by accepting that these rights must be thoroughly substantiated, with the onus of proof on the countries seeking them. The rights must be based on continuous fishing, he said, though in some cases they might be "bargainable."

Mr. Silkin is reported to have offered to "consider" relaxing the ban on industrial (fishmeal) fishing in the Norway pout box if it is established that edible fish will not be affected.

Mr. James Callaghan and Mr. Silkin met their West German counterparts, Chancellor Schmidt and Herr Joseph Ertl, in Bonn two weeks ago. After this meeting it was announced that they had agreed to make "a vigorous effort" to promote an agreement on the EEC Common Fisheries Policy by the end of this year.

"But we are not falling over ourselves to settle at any price," Mr. Silkin declared yesterday. "There will have to be genuine improvements in the proposals which, before Bonn at any rate, the rest of the Community were expecting us to swallow."

He hoped that the greater understanding of the UK case displayed by the West Germans would be reflected by the Commission and the other members of the Community.

"I can see some hope of a settlement which I could in all sincerity commend to Parliament. But there is still a long way to go."

The Minister struck one note of caution. "Making progress with the Germans does not mean progress has been made with the Commission and other EEC members. It is an important development, but not the be-all-and-end-all of the fisheries question."

He denied that any concession had been made on British demands for eventual exclusive rights in the 12-mile coastal zone, or on demands for "dominant UK preference" up to 50 miles. The 50 miles was just an average figure. "In some areas the limit might be 12 miles, in others 90 miles. It depends where the fish are."

Britain would seek fishing rights sufficient to guarantee a viable and expanding UK fishing industry, he said.

The Bonn talks had achieved a breaking of ill-will between the UK and West Germany on fishing, and an actual movement towards the British standpoint, Mr. Silkin said.

For her own part Britain had demonstrated flexibility by agreeing to defer the proposed minimum net mesh-size limitation for "scampi" fishing.

The British Fishing Federation said that the Minister still had the wholehearted backing of the fishing industry.

Mr. Silkin was speaking at a Press conference about recommendations by the Commons Fishing Industry Committee, to which the Government replied.

He welcomed the committee's endorsement of the Government defence of UK interests in EEC negotiations and described the committee's report as "a wide-ranging and interesting document which made a valuable contribution to public discussion and the formulation of policy."

NEB's buying shows profit

By John Elliott, Industrial Editor

THE NATIONAL Enterprise Board made profits before tax of £2.4m during the first half of this year on its own investments, according to figures released by the government as part of a staunch defence of the board's operations.

At the same time the government has indicated that it will shortly reject proposals made earlier this year by the Parliamentary Accounts Committee for the Comptroller and Auditor-General to have untrammeled access to the board's books.

This emerges in correspondence between the government and Mr. Michael Grylls, a Conservative MP who is a frequent critic of the board's operations.

Two weeks ago Mr. Grylls wrote to the Prime Minister asking for a select committee to be set up to look into the board's operations, and especially into the case of Thwaites and Reed, a clockmaker, which the board had just sold at a loss of nearly £450,000.

In answer Mr. Gerald Kaufman, Minister for Industry, has rejected the suggestion of an inquiry, and has said in a letter to Mr. Grylls: "Of course it was unfortunate that a loss was incurred on this investment. But such risks are inescapable."

Criticism

This defence of the NEB is specially significant at a time when some of its investments have been criticised, ranging from its purchase a year ago of Fairey Holdings to the troubles of Thwaites and Reed.

On Thursday it was announced that a receiver has been appointed at Power Dynamics, a Bridlington-based hydraulic machinery company in which the board holds a one-third stake.

In his letter Mr. Kaufman points out that the profit before tax of Fairey Holdings was £3.2m before tax and that other associate companies' profits were £0.6m. After allowing for losses on some other subsidiaries, this led to the board showing a £2.4m profit for the period on the companies in which it had invested on its own account.

The total half-year figures, including companies the board inherited from the Government, were published a month ago and showed £23.1m profit before tax.

On the accounts committee's proposals for examination of the board's books, Mr. Kaufman says in his letter that a Treasury Minute would be published soon.

It is due in the next fortnight and is expected to reject the proposal. Mr. Kaufman's letter indicates this because it specifically restates the Government's known view that detailed examination of the board by the Comptroller General "would be incompatible with the degree of commercial freedom that is essential for such a body to operate successfully."

Met Office services earn £9m

By Our Science Editor

RECEIPTS FROM specialised meteorological services to industry earned the Meteorological Office nearly £9m in 1977-78, according to its annual report.

These earnings now cover almost a third of the gross expenditure of the Meteorological Office at Bracknell.

A substantial part of the earnings comes from services to civil aviation, an income it believes is likely to fall as commercial flying becomes less weather-sensitive through developments in avionics.

An important growth area has been the services to the offshore industry—a service now supported by its own research programme.

Industries and activities making regular use of its "tailored" meteorological service include farming, transport and shipping, electricity and gas, construction, ice-cream and frozen foods—and pigeon racing.

One of the major difficulties in offering such services to small-scale activities has been how to recover revenue economically from a large number of users. Because of this, many "casual inquiries" continue to be answered free of charge.

But the Meteorological Office is working with the Post Office to find a way of offering specialised services—such as six-hour forecasts—through the Post Office's new Prestel TV information service. They may be implemented with the help of a new radar network for measuring rainfall over a wide area, with automatic processing and presentation of the data.

Meteorological Office Annual Report 1977. SO, £4.

Atom workers' health records are found

BY DAVID FISHLOCK, SCIENCE EDITOR

A PILOT study to trace the medical records of former employees in the British nuclear industry, dating back to the earliest post-war activities in nuclear weapons, has been proved unexpectedly successful.

British Nuclear Fuels said yesterday that the study, set up in 1976, had succeeded in tracing 80 per cent of a sample of 2,750 of the earliest employees at the Windscale and Calder factories in Cumbria, where plutonium was separated for the first nuclear weapons.

As a result, the UK Atomic Energy Authority and its subsidiary British Nuclear Fuels are extending their current mortality study on present employees to include, so far as is practicable, all former employees.

They now believe that the records of a higher proportion of the 10,000 former employees—perhaps 92-93 per cent—will be brought to light by the efforts of the Office of Population Censuses and Surveys.

The data collected is being examined by independent experts as well as by the two organisations. British Nuclear Fuels has engaged a consultant epidemiologist, and the Authority has asked the Medical Research Council for advice. The National Radiological Protection Board, watchdog of the public interest in radiation, will also be involved in the analysis of the national register of radiation workers.

The national register was set up originally to discover whether there were any differences in the cause and ages of death between workers who had accumulated different doses of radiation during their working lives.

● British Nuclear Fuels said yesterday it was awaiting the outcome of discussions with the Nuclear Installations Inspectorate at Windscale before restarting its reprocessing operations.

The plant was shut down earlier this week after an incident in a silo used to store the magnesium alloy cans stripped from spent Magnox fuel. Monitors indicated that the hydrogen gas formed by the reaction between magnesium and water in the silo was reaching a concentration which could be explosive.

Why £7m Guy Fawkes night is getting quieter

BY MAURICE SAMUELSON

MOUNT VESUVIUS will erupt, golden rain fall and Venus rockets blast off as bonfires mark tomorrow's 373rd anniversary of the Gunpowder Plot.

However, although the ritual is the same, Guy Fawkes Night is undergoing big changes. To the relief of parents and pet-owners, there will be far fewer blasts than there used to be. In accordance with their 1976 agreement with the Government, the manufacturers have halved their banger production to 22m, against 46m in 1974.

There are far fewer fireworks altogether: probably slightly more than last year's 150m, but only a fraction of the 400m eight years ago. On the other hand, the fireworks are bigger and the cost of tomorrow's festivities is expected to top last year's £7m.

Plenty of smaller items are still for sale, but these are all in packs, and are not sold loose. Typical of the larger fireworks are the Astra pieces which were being mopped up by businessmen in a City shop yesterday: the £1 Roman candle; the £1.50 Mine of Comets; and the £2.50 Golden Feather, looking like three sticks of dynamite but with more aesthetic effect.

The trend towards bigger fireworks is part of the broader shift from private back-garden Guy Fawkes parties to more spectacular—and safer—public displays.

In the "good old days," nine-tenths of the UK output went straight to the shopkeeper. Many were individual items for sale to children for a few pence. Now those fireworks are in boxes and must not be sold to children aged under 16.

Standard, Benwell and Astra still produce mainly for shops, but Brocks and Pains/Wessex have opted out of the retail market and concentrate on display fireworks.

The trend towards public displays and parties is more pronounced in cities than in the countryside, because many people have no garden. Thousands of Londoners will see the shows at Alexandra Palace, Crystal Palace, and in several big parks. Local groups are also organising supervised bonfires in many adventure playgrounds.

In some cases, the Greater London Council organises the display; in others it employs an outside pyrotechnician. The Alexandra Palace show is in the hands of Phoenix Fireworks.

The fact that it will be French fireworks that light up the "Ally Pally" is unlikely to bother the British makers, who sell all their output with very low promotion costs—which in any case are directed mostly at safety rather than marketing.

For Standard Fireworks, the Guy Fawkes rush ended weeks ago. "Now we can get on with our exports, such as our latest big order for Norway," the company said yesterday, with a sigh of relief audible all the way from Huddersfield.

Oil corporation to pay back $150m loan

Financial Times Reporter

BRITISH National Oil Corporation has arranged the prepayment of a $150m (£75m) Eurodollar funding originally raised last year and made available to Britoil, a non-subsidiary company in the U.S.

BNOC raised a total of $825m by means of a forward sale of oil to Britoil, financed by a consortium of banks: $150m in Eurodollars and $675m in domestic dollars.

The $150m, eight-year loan carried a spread of 1 per cent over interbank rates. The prepayment was funded by Britoil drawings on funds available from the UK national oil account.

CONTRACTS

£6m work for Southern Counties

Contracts amounting to more than £6m have been gained by SOUTHERN COUNTIES CONSTRUCTION COMPANY. One is for a £3.25m sewage scheme at Totnes for the Southern West Water Authority. The others include the new Swindon Northern Distributors road at a cost of £1.5m, a road improvement scheme at Crockerton, at a cost of £0.5m, both for Wiltshire County Council and a new labour camp at Pembroke worth about £0.25m for Grand Metropolitan Technical Services.

*

Yorkshire based DALE ELECTRIC has booked orders for more than £2m-worth of generating sets in the UK. The new Midland Bank computer centre in South Yorkshire has placed an order for five sets initially worth £1.2m. A similar application involving a computer centre has resulted in an order worth £450,000 to Dale being placed by the Royal Bank of Scotland. The EMI centre in Tottenham Court Road, London, being built by Bovis Construction is to rely on Dale equipment valued at £140,000. Additional orders have come from Government departments together with repeat orders from department stores.

*

Three contracts worth a total of £3.5m have been won by JT BUILDING SERVICE, of Bristol. The contracts are to design and build offices in Weston-super-Mare for Woodspring District Council, a factory and offices in Worthing for Eurotherm International, and offices in Norton Fitzwarren, Somerset, for the Taunton Cider Company.

*

Transport International Pool (TIP) has placed an order worth £1m with TRAILOR (UK), of Blackwell, Derbyshire. The order is for 200 40 ft platform trailers with twist locks to carry ISO shipping containers and a quantity of "skeletal" trailer chassis for container carrying.

*

A £1.8m mechanical services contract at Ford's Bridgend factory in South Wales has been awarded to Haden Young, part of the Haden Carrier Group. Some 32 km of pipework is to be provided by Haden Young within a site covering almost 730,000 sq metres.

*

Mitsubishi Petrochemical Company, headquartered in Tokyo, has ordered a large-scale Sperry Univac computer system valued at about $5.3m. The order was placed with NIPPON UNIVAC KAISHA, the Sperry Rand Corporation joint computer marketing venture in Japan.

*

MEL, in collaboration with FERRANTI, has been awarded a multi-million-pound contract for the provision of a tactical, non-communications electronic warfare (EW) system by the Ministry of Defence (Procurement Executive).

*

A contract worth £700,000 has been won by DANIEL INDUSTRIES, of Falkirk, Scotland, for the design, manufacture and service of an offshore metering system to be installed on the Statfjord "B" platform in the Norwegian North Sea.

*

BIWATER SHELLABEAR has been awarded a contract worth £1.7m to construct a 10m gallon reservoir and pumping station for the Ruler of Sharjah in the United Arab Emirates.

Bakery workers reject 5% and call strike

BY CHRISTIAN TYLER, LABOUR EDITOR

SEVEN TENTHS of bread production in England and Wales is expected to be stopped on Tuesday or Wednesday as a result of a strike called by the bakers' union over pay.

The Bakers, Food and Allied Workers Union yesterday rejected an offer by the two big bread makers of 5 per cent on basic rates, in accordance with incomes policy, and 6 per cent for productivity.

Mr. Sam Maddox, general secretary, said his negotiators would be recommending an official strike from Tuesday by the union's 26,000 members in bakeries covered by the national agreement with the Federation of Bakers.

The strike call is expected to be confirmed by the executive council on Monday, and the employers were in no doubt yesterday that the strike would go ahead.

It would affect the plants of Ranks Hovis McDougall and Allied Bakeries as well as the former Spillers French plants taken over by the former two when Spillers left the market.

Bread queues look inevitable as small independent bakeries try once again to meet demand. Dai[ly] consumption is 10.5m lar[ge] loaves, or 8,223 tons. Scotti[sh] bakers, covered by a separa[te] agreement, are not involved.

The strike, which would occ[ur] almost a month before th[e] present wage agreement expire[s] is over a demand for a £10-[a-]week rise and consolidation [of] a £3.85 supplement, or 26 cen[t] in all. It is based on the ext[ra] productivity that the union sa[ys] followed Spillers' departure.

Yesterday's offer would ha[ve] raised the average worker's bas[ic] £45 for 40 hours to £50, a[nd] earnings, including overtim[e] from about £70 to £77 or £78 [a] week, the federation said.

The union has rejected th[e] terms of the productivity offe[r] which include stricter timekee[p]ing and shift changes, mobili[ty] of labour, variations in th[e] length of the working day wit[h]out premium payments, som[e] permanent night working, b[y] agreement, and adherence [to] grievance procedure.

The last bakers' strike, calle[d] over Bank Holiday working i[n] September last year, cost £[...] and a drop in consumption of [...] per cent, the federation said.

Scots lorry drivers' union rejects offer

BY NICK GARNETT, LABOUR STAFF

THE THREAT of industrial action by Scottish lorry drivers increased yesterday when union officials rejected a second and, employers say, last pay offer, within Government guidelines.

The Transport and General Workers' Union is to recommend its rejection at meetings next week of the 5,000 drivers.

The Scottish section of the Road Haulage Association attached a self-financing attendance payment scheme to its original 5 per cent offer.

Union negotiators, seekin[g] rises for the drivers of mor[e] than 20 per cent, said the pro[]posals were unacceptable.

Mr. Peter Talbot, union trad[e] group secretary, said that th[e] recent Price Commission repor[t] indicating that road haulier[s] would not be allowed to pass o[n] inflated costs, had been signi[fi]cant in negotiations.

He also thought that the em[]ployers were under sever[e] Government pressure to kee[p] within guidelines.

Three of six Michelin plants reject 9%

BY NICK GARNETT AND PHILIP BASSETT

MASS MEETINGS of manual workers at three of Michelin-UK's six plants have rejected a 9 per cent pay offer linked to increased productivity. Meetings at the other plants will be held in the next few days.

The Transport and General Workers' Union, which represents almost all the manual workers, said the commitments sought by the company, including new holiday patterns, were proving totally unacceptable.

The offer involves "reinstatement" of a 3 per cent supplement, a 6 per cent increase in earnings and a possible further 2½ per cent next year. The company says the commitments it seeks would boost production but might not form a productivity deal within present Department of Employment definitions.

Workers at three Kodak factories held mass meetings yesterday on the company's Phase Four offer, thought to be within Government guidelines, which would give rises of 5 per cent on pay and a productivity deal worth a further 8 per cent on basic rates.

Shop stewards at the compan[y] put forward no recommenda[]tions with the offer, but mad[e] clear to the workers that the[y] were not satisfied with its pro[]ductivity element.

Mass meetings of the company's 8,000 workers have already rejected a recommendation from their negotiators to strike over the offer.

The full picture of the workers' response will not emerge until the last of the mass meetings on Tuesday. Workers at Kirkby meet tomorrow, at Hemel Hempstead on Monday, and at Harrow on Monday and Tuesday.

Yesterday 760 production workers at Stevenage voted by about 2-1 for a three-month trial of the productivity scheme, and the 230 office staff at the plant also voted for a trial.

The Sunningdale plant voted about 2-1 for the 5 per cent offer, but about 4-1 against the productivity scheme. Workers at Manchester voted against the whole offer.

Kirkby and Harrow plants are expected to vote against the offer at their meetings.

Talks adjourn after farm employers hold firm

TALKS ON a big pay claim by farm workers adjourned in London yesterday after the employers refused to budge from their 5 per cent offer.

The union wants the Government to make farm workers a special case in their battle for an £60-a-week basic wage.

Mr. Jack Boddy, general secretary of the National Union of Agricultural and Allied Workers, said the offer "amounts to a packet of fags at the end of the week" after deductions.

The present wage is £43 for a 40-week. The union is seeking £80 for a 35-hour week, plus more holidays and increased overtime payments.

Mr. Boddy said the talks had been adjourned until December 7 so that he could try to meet Mr. John Silkin, Agriculture Minister.

He said: "Other industries have been able to exceed the guidelines, and these are industries which do not have the problems of the agricultural industry and are not essential to the economy."

Mr. Alec Lewis, leader of the employers' side, said they were not willing to go beyond 5 per cent without Government approval.

Furniture workers begin go-slow over pay offer

BY NICK GARNETT, LABOUR STAFF

WORKERS in the furniture manufacturing and repair industry have begun industrial action in a dispute with employers over a new pay deal to run from January.

The Furniture, Timber and Allied Trades Union, which represents a majority of the industry's 60,000 workforce, instructed its members this week to begin an immediate overtime ban and go-slow.

Mr. Ben Rubner, the union's general secretary, said yesterday that the action had already had a marked impact on production.

The British Furniture Manufacturers had made an all-inclusive pay offer of 5 per cent which the union described as "paltry and derisory."

Negotiators for other unions, including the Transport and General Workers and the Union of Construction, Allied Trades and Technicians, are also understood to have rejected the offer.

The unions have been seeking a new basic rate of £2 an hour for production workers, substantial improvements for the lower paid and a 35-hour week.

THE WEEK IN THE MARKETS

Still sliding

The Stock Exchange had a turbulent and depressing week: depressing because volume has remained low despite the violent price movements on Wednesday and Thursday, and because the FT 30-Share Index lost a further 10.8 points on the week to stand 12 per cent below September's high point.

President Carter's spectacular package to support the dollar brought a sharp mark-up in equities on Wednesday afternoon. The market concentrated on shares which had been weak as a result of fears that the rise of sterling was squeezing profit margins and the Index recouped the morning's eight-point fall. But on Thursday equities drifted *down again in the absence of* follow-through backing.

Wages continue to be a major worry. The failure of Ford and BOC workers to settle, and the

LONDON

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higher wage offers in the Ford dispute, were unsettling influences throughout the week.

The other major depressant, the upward trend in short-term interest rates, became more threatening after the Carter package, which included a one-point rise in the Fed's discount rate. Although Minimum Lending Rate was unchanged on Thursday the subsequent lifting of bank base rates and the half-point rise in the treasury bill rate at yesterday's tender gave the stock market no relief. Gilt-edged stocks reached a year's low on Thursday, but there was some improvement on Friday and the market was able to take some encouragement from the steadier tone at the long end—the yield curve is now flatter than ever.

Dividend builder

Construction giant George Wimpey held a rare press conference this week to announce its plan to reorganise the group, a move which is allowing it to increase its dividend over three-fold in the near future.

An impressive array of directors turned out to announce to the gathering that a new corporate structure is necessary for the group. In creating this structure a new holding company is to be formed, which incidentally the Treasury intends to treat as a newly listed company, and therefore free from dividend controls for two years.

"We have been accused over the years of paying a mean dividend," observed the chairman Mr. Reginald Smith—and the attractions of the larger construction companies shares have indeed been diminished by their tiny yields. Wimpey is not the first construction company to come up with this dividend-boosting device. Marchwiel and Richard Costain have recently announced similar schemes.

But Wimpey is anxious to play down the dividend boosting aspects. The change in structure is required because "we need a much sharper definition of responsibility for profits, both by activities and geographically," said Mr. Smith. Yet the old structure, unchanged since 1934, does not seem to have done too badly. In the last financial year the group declared pre-tax profits of £52.4m on turnover of £752m.

Hoover in a spin

Foreign importers — particularly Italian—are taking Hoover to the cleaners. As this week's results showed, intense competition for washing machine and vacuum cleaner sales has again squeezed margins, and after nine months profits before tax are down by more than a half at £4.15m. A dismal tally, given earlier hopes for the impact of the consumer spending boom.

Because of unyielding stance of overseas manufacturers, Hoover has not dared raise prices during this period. In fact, in some cases, prices have actually fallen. Moreover, in order to hang on to its market share, the company has had to push up its promotional costs. Couple this with an increase in labour costs of around a tenth and higher financial charges (as a result of a build-up in stocks towards the end of last year), and it is easy to understand why margins have slumped from 6.5 per cent to 2.7 per cent.

The fourth quarter, however, brings with it some cheer. Demand has improved since the late summer and Hoover implemented a 5 per cent price rise in October. Overseas markets too are looking brighter and stock levels are falling. But this may only be enough to give a full year total of £8.5m pre-tax, compared with £12.2m last time. Since the announcement the shares have fallen by a tenth to 255p.

Barclays' base

Barclays' decision on Thursday to lift base rates by as much as 1½ points to 11½ per cent and its high street rivals' immediate follow up yesterday, left bank shares a few pence better last night. The week's developments, *although sudden were not* entirely unexpected as shown by the bank sector's 2.5 per cent rise in the four weeks from October 5, against a 6.3 per cent fall in the FT all-share index.

The dollar's difficulties and the consequent increase in U.S. prime rates admittedly made UK changes much more urgent. But conditions in the London money markets, where rates in the last few weeks have been creeping up, had already made some adjustment overdue. With loan demand at a high pitch, corset restrictions in any case make competition among banks unattractive and the appearance of "round tripping" (borrowing on overdraft to lend in the money markets) made some action inevitable.

Brokers have hurriedly upgraded their profit forecasts for the "Big Four." All the banks have, of course, hoisted their deposit rates. The more important point, however, is that perhaps 40 per cent of bank resources come from interest free current accounts on which extra profits can now *be earned.*

The range of estimates for the current year is £170m-£185m at Lloyds (against last year's £166m), £335-£355m at Barclays (£268m), £180m-£210m for Midland (£163m) and £250m-£280m at National Westminster (£228m).

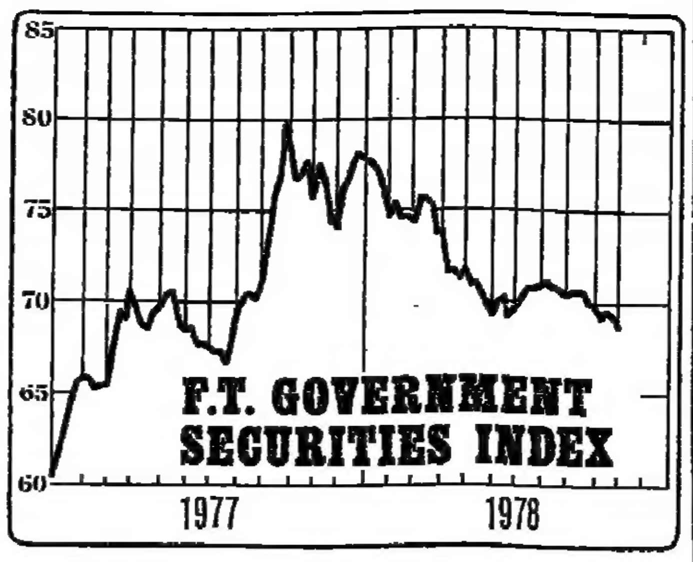
Sime attacks

The row between Sime Darby Holdings and the auditors the Board wants to sack, Turquand Youngs and Co., has changed from being a local wrangle into a battle where reputations may be destroyed.

This week Sime said that "certain directors" believed that Turquand had taken too long to uncover the wrongdoings in the Pinder affair. Mr. Dennis Pinder was a chairman of Sime who misappropriated company funds. The group has been advised by London solicitors that it has a prima facie case against Turquand for negligence and breach of statutory duty with regard to the 1972 and possibly earlier audits.

Turquand has denied the allegation, saying that the most important misappropriations were committed in 1972-73 financial year and that Turquand can take the credit for exposing them. But the allegation is so serious that Turquand will doubtless feel it must do more to clear its name, possibly through the courts.

The reputation of Sime's current Board also hangs in the balance. If Turquand can vindicate its role during the Pinder affair, then the directors of this corporate flagship of Malaysia will not exactly have covered themselves with glory.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	472.4	−10.8	535.5	433.4	Pay, profits and int. rate fears
Gold Mines Index	131.9	−17.4	206.6	130.3	Sharp fall in bullion price
Allied Irish Banks	202	−28	239	150	Disappointing interim figures
Berec	130	−14	175	130	South African labour problems
Berjuntai	230	−25	305	200	Shortage of tin leases
British Northrop	72	−13	104	72	Mid-way profits setback
City Hotels	115	−11	142	73½	O.F.T. probes ice cream subsidy
Conzinc Riotinto	274	+24	336	148	Ashton report due on Monday
Decca A	410	−30	500	380	Profits warning
Hoover A	255	−30	390	255	Disappointing third quarter figures
Laing (J.) A	74	†−13	87	73	Following prop. hive-off
Northgate Expln.	370	+55	465	245	Group share re-shuffle
Plysu	106	+ 8	108	72	Revived bid speculation
Reckitt & Colman	440	−35	530	392	Fears about overseas earnings
Richardsons Westgarth	49	−11	66	49	Poor interim results
Rustenburg Platinum	89	−18	117	70	Fall in platinum price
Ulster TV A	74½	+ 7½	75	52	Awaiting annual results
United City Merchants	51	−13	73	41	Profits setback
Wardle (Bernard)	31	+ 5½	32	17½	Speculative demand

† Based on Monday's opening price.

U.K. INDICES

Average week to	Nov. 3	Oct. 27	Oct. 20
FINANCIAL TIMES			
Govt. Secs.	68.93	69.50	69.20
Fixed Interest	70.32	71.15	70.96
Indust. Ord.	477.5	489.9	496.7
Gold Mines	137.8	149.7	155.7
Do (Ex $ Pm)	100.9	109.2	113.6
Dealings mkd.	4,610	4,591	4,482
FT ACTUARIES			
Capital Gds.	231.61	238.92	240.80
Consumer (Durable)	203.93	211.75	214.28
Cons. (Non-Durable)	204.45	210.68	213.50
Ind. Group	215.86	223.22	225.91
500-Share	239.05	246.46	249.65
Financial Gp.	160.23	163.72	164.35
All-Share	218.21	224.94	227.62
Red. Debs.	56.35	56.69	65.67

Downs and ups

BY 11.30 on Monday morning Stock Market reporters were giving half serious thought to the best vantage point on Wall Street from which to observe falling bodies. Fortunately this ultimate expression of despair about market crashes has gone out of favour on the street of a thousand dreams, but many a heart was beating irregularly at the climactic sight of a 17.16 point fall in the Dow Jones Industrial Average, capping a descent of more than 90 points in the previous two weeks.

The head of the trading department of one of the country's largest brokerage houses observed that every bad market has a blue Monday "and if ever a market deserved a blue Monday, it's this one." By the close of trading the day was more bizarre than blue, for the Dow had recovered from its precipitous early morning fall to close 5.8 points higher on the third highest trading volume on record. But rarely has the Dow been less representative of the broader market.

Politically, a gangrenous stock market was a distressing expression of no confidence in President Carter's policies, from his anti-inflationary strategy to his management of the budget and apparent inability to do anything to maintain the integrity of the dollar abroad. The economic implications of the market's sudden weakness were stressed at the beginning of the week by Mr. Alan Greenspan, former chairman of Presidents Nixon and Ford's Council of Economic Advisers. His thesis was that a casual relationship exists between stock prices and capital investment, and a fall coupled with sharply rising interest rates represent a deadly threat to business spending plans.

"It's a very complex process, but when the value of existing facilities rises relative to the cost of producing them new, rates of return on new capital investment are rising implicitly . . . conversely, when stock prices fall, the value of putting up new plant and equipment is diminished and a company's incentive to increase its rate of capital investment declines," observed Mr. Greenspan.

Thus, the market itself could become one of the prime causes of a recession.

Now fears that sharply rising interest rates would drive the economy into a recession next year are one of the main reasons why the market switched into

NEW YORK

JOHN WYLES

such a high reverse gear three weeks ago. If this analysis is correct, it is certainly consensual, then the market's initial reaction to President Carter's package tells us more about its current fevered state than the *merits or demerits of the package itself.* Wednesday's gain of 35.34 points was the highest daily advance in history and interestingly outpaced the previous record set on August 16, 1971 which was the day after President Nixon trotted out his programme to deal with domestic inflation and an ailing currency. Although technical analysts say that the market was due for something of a rally anyway after the recent purge, Wednesday's buying was akin to a pent up expression of relief that the President appeared at last to be attacking the fundamental related problems of the dollar and domestic inflation. The initial market reaction glossed over the very severe spurt to domestic interest rates implicit in a 1 per cent increase in the discount rate to 9½ per cent (the steepest single increase in this rate since 1933) and a rise in bank reserves to be lodged with the Federal Reserve Board which sucked some $3bn of liquidity out of the banking system. Both of these measures feed the ogre which has been stalling the market—Sharply Rising Interest Rates.

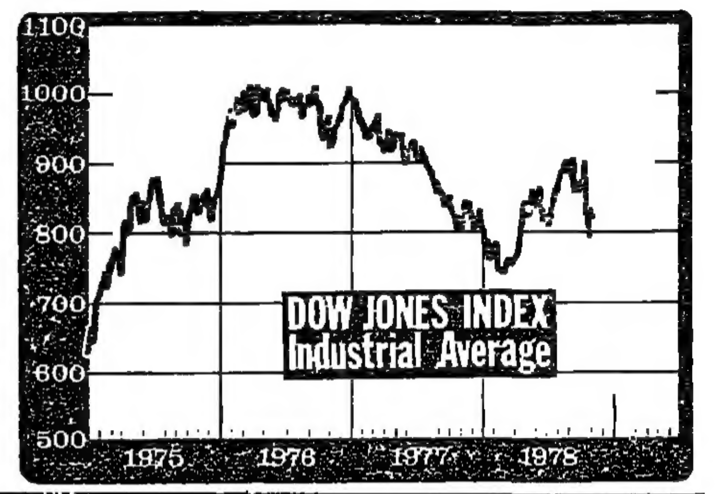
Influential classic market theory holds that the stock market falls as interest rates rise, as indeed it has, and that the best time to look for a turn in the market is one to three months after interest rates have peaked. The tightening of credit implicit in the discount rate increase, and the draining of bank liquidity, may of course advance the day when interest rates do peak, but their future movements will be heavily dependent on the fate of the dollar abroad and money supply development at home.

Both look likely to remain uncertain for several weeks since after a spurt on Wednesday, the dollar is in a holding pattern although its market is certainly more orderly. Those looking for grains of hope on *the money supply front were* thrown a great rock yesterday when the M1 measure was reported to have fallen in the past week by an enormous $5.2bn. As a result there was much loose talk this morning about interest rates being at or close to their peak but the market appeared to be taking a more sober view.

With Citibank moving its prime rate to 10⅞ per cent this morning and with other short term interest rates moving closer to previous records of 1974, economists agree that the probability is now greater that the U.S. economy may suffer some sort of mild recession next year. If Mr Greenspan is right then certainly a number of companies may already be taking a red pen to their spending plans.

CLOSING INDICES

Monday	811.85	+ 5.80
Tuesday	792.45	−19.40
Wednesday .	827.79	+35.34
Thursday ...	816.96	−10.83
Friday	823.11	+ 6.15



When the fervour faded

IT HAD to happen. When the price of gold soared by $10.75 to a peak closing level of $245¼ per ounce on Monday, things were clearly getting out of hand and despite all the arguments in favour of bullion, market observers knew that a price correction had to come.

This was translated into fact two days later when the news of America's sweeping moves to stem the decline in the dollar sent gold tumbling to $220 at one time. It subsequently steadied, only to drift away yesterday to $215⅝.

The dollar support measures include a doubling of the size of the present monthly gold sales being made by the U.S. Treasury to 1.5m ozs. The market looks to be capable of absorbing this without undue trouble, but how well the price of bullion can be sustained if confidence in the dollar is really restored remains to be seen.

There is the possibility of a further setback in the price over the short-term, but if this does happen, the strength of underlying industrial demand for the metal could bring about a recovery to a level which still provides good profits for the existing mines despite their rising costs. Gold is not out of fashion yet.

Meanwhile, South African gold share prices remain a major disappointment, as this week's graph shows. In recent times they have fallen back in the face of the advance in the bullion price. Previously they had moved ahead under the impetus of strong buying from U.S. investors who are thought to own something in the region of 25 per cent of listed South African gold shares by value.

The buying dried up, however, following the re-emergence of South African political worries and the U.S. gold followers turned their attention to the prospects offered by their domestic gold futures markets. As a result the neglected share-market drifted down and sterling prices were additionally affected by a fall in the investment dollar premium.

The sharemarket is now in a state of limbo. Prices may well be making a pretty fair allowance for the political uncertainties, but they would weaken afresh in the event of a further sustained fall in the gold price. If, on the other hand, gold does not retreat, there is the possibility that European ex-premium buyers may be attracted by the dividend yields of over 20 per cent which are offered by some of the good-class issues.

The improvement in South Africa's economic climate has been reflected in the chairmen's statements this week of two of the mining and industrial finance houses, **Johannesburg Consolidated and Anglo-Transvaal Consolidated.** Both chairmen maintain a degree of

MINING

KENNETH MARSTON

caution. Sir Albert Robinson of "Johnnies" pointing to the country's need to overcome the high rate of inflation and to provide more employment.

Even so, he still hopes that the group will raise its 170 cents (93p) dividend rate in the current year to June 30. Although earnings in the previous year advanced to R42.2m (£23.1m) from R27m, "Johnnies" had to put aside R44.4m for the Otjihase copper mine in Namibia (South-West Africa) which, hit by depressed metal prices and technical problems, was placed on care-and-maintenance in January.

Mr. Basil Hersov of Anglo-Vaal says that present optimism in the South African business scene needs tempering, adding that there will have to be major inflows of foreign capital before the gross national product increases to create sufficient employment opportunities. Even so, he expects a further rise in the group's profits which at R16.7m (£9.28m) in the year to last June compared with R13.47m in the previous 12 months.

The anti-uranium and environmental protection lobby gave Australia's **Western Mining Corporation** another rough ride at the annual meeting in Sydney this week. It lasted for five hours to the accompaniment of constant protestations, jangling of coins and the odd scuffle.

A year ago the performance took six hours, was twice adjourned and included streamer throwing, whistle blowing and banner waving. On the latest occasion the protesters were incensed on two counts. Firstly, they saw the meeting approve changes in the company's articles of association which, by including measures regarding the rights of directors to refuse the registration of shares, are designed to increase the chairman's control of meetings.

Secondly, it became increasingly clear that the company's Yeelirrie uranium deposit is virtually certain to be given the go-ahead by the various governmental authorities in the near future.

Production of uranium oxide at the annual rate of 2,500 tonnes is expected by end-1984 and the ownership is to be: Westerning Mining 75 per cent, **Esso Exploration and Production Australia** 15 per cent and **Urangesellschaft** 10 per cent.

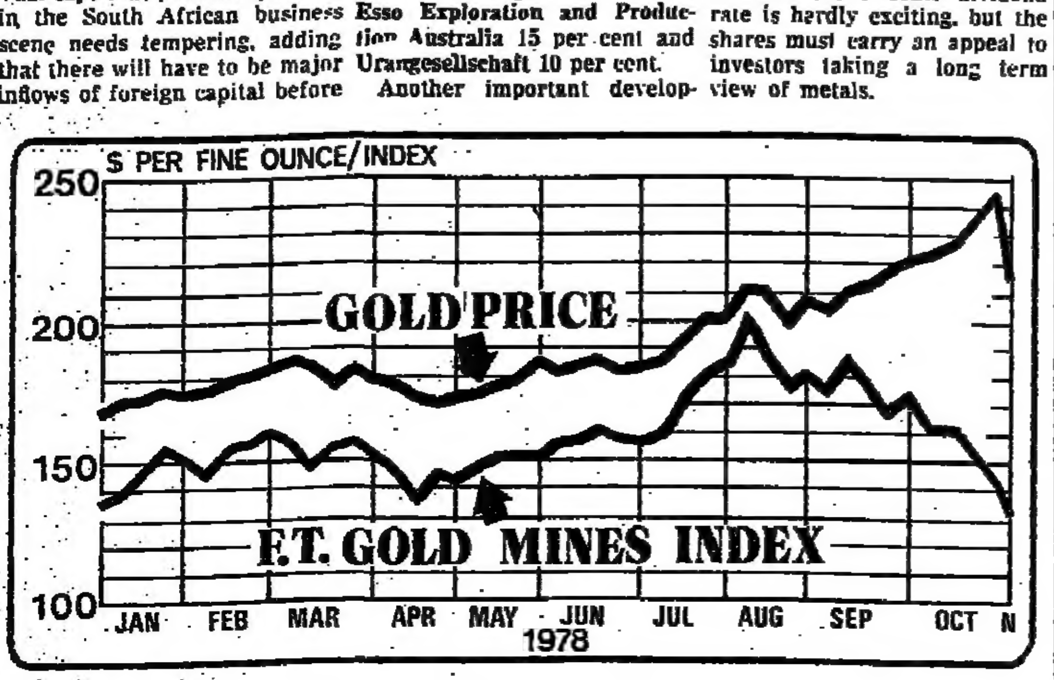
Another important development on the Australian uranium front has come with yesterday's news that agreement on royalty payments to the Aboriginal people has now ben reached between their Northern Land Council and the Ranger project of **Peko-Wallsend and EZ Industries.**

This would appear to be the last hurdle to be cleared and the long awaited development *of the deposit should be able* to start when the wet season ends next April.

Western Mining has another major mining venture in prospect, the big copper-uranium discovery at Roxby Downs in South Australia. Sir Arvi Parbo, the Western Mining chairman, told the meeting that discussions are now taking place with a number of interested parties regarding their possible participation in the project which has been named Olympic Dam.

Then, too, the group is continuing to get encouraging results from the drilling of its Benambra copper-silver-lead-zinc prospect in north-eastern Victoria. As far as results from present operations are concerned, nickel earnings are expected to remain depressed in the first half of the current year to next June. Aluminium income is being maintained while more is being made from gold.

Overall, Western Mining's first-half result is expected to be about the same as that of a year ago when profits fell to A$5.8m (£3.3m) from A$9.5m. The current 3 cents dividend rate is hardly exciting, but the shares must carry an appeal to investors taking a long term view of metals.



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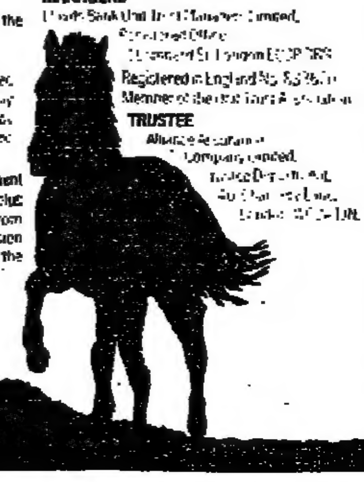

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FINANCE AND THE FAMILY

Claims after the divorce

BY OUR LEGAL STAFF

My daughter is sueing her husband for divorce on grounds of mental cruelty. Their house in joint names and more than two-thirds of the house cost and also furnishing, etc., have been paid by her.

Can she force the sale of the house so that she can get half its value in cash? Is she entitled to take all the furnishings she has bought?

The hubsand is demanding the full custody of the three children. Can he do this?

Provided the house is not required for the home at which the children are to reside its sale is likely to be ordered. It may be possible for your daughter to establish her claim to two-thirds of its value/sale price. If she can establish that the furnishings were purchased by her alone she may be able to establish a sole claim to them now. The husband certainly can be awarded custody of the children, but this is not usual in the case of very young children. Nor would the court favour giving custody to a father if the reasons for the breakdown of the marriage involved conduct which might put the children at risk with him.

A gift effected abroad

A customer has an aged grandmother in Germany who wishes to give him some Bearer Bonds which he then intends to bring back to the UK. This gift is in anticipation of her death. As the gift is being made outside the UK am I correct in assuming that the gift will not attract Capital Transfer Tax?

If the gift is effected abroad and the bearer certificates are abroad at the time, the gift would not attract Capital Transfer Tax.

Calculation of fees

The assets of my wife and myself are roughly £37,000 held jointly, and on her own account my wife's are £51,000 and mine £40,000.

Am I correct in assuming that solicitor's fees in connection with the estate of the first to die will be based on the personal estate plus half the jointly held assets?

While the solicitors' fees would in the ordinary way be calculated on the whole beneficial interest of the testator before death, i.e. including joint property, there is no reason why the executor should not negotiate with the solicitors either a fixed fee or a fee on a scale which does not include property held jointly and so passing by accruer to the survivor.

Landlord as trustee

A and B are trustees whose only remaining asset is a commercial property, let on a five-year lease. The two parties named in the lease are A (with no reference to the trust), and the tenant. In the event of an exceptional liability for owner's repairs, which could not be met from trust funds, would A be personally liable for the cost of such repairs?

As between the tenant and the landlord (A), the landlord's liability under repairing covenants or statute would not be limited to the trust funds. The tenant could recover damages against the landlord personally.

An undiscovered cable

An electric cable under my land, of whose existence I was unaware was severed by a bulldozer, and repaired by the local electricity board. I gather I may be charged with the cost of this, even though there is no reference in my deeds to the existence of this cable. What, please, is my legal position?

If the existence of the cable was not capable of discovery from your deeds you may be in a position to resist any such claim as you anticipate—and indeed to counter-claim for trespass. However there is always the possibility that the statutory power to lay a cable was properly invoked at some time in the past and that your predecessors in title failed to record that with the title deeds.

Ownership of derelict land

A piece of land adjacent to my house and marked on the title deeds as proposed road is derelict. How can I find out who the owner is

There is no sure means of finding the owner of derelict land. You can inspect electoral and ratings registers and tithe maps, and make a parcels search at H.M. Land Registry to ascertain if the title is registered. But if these courses yield no result there is no course but to enquire of solicitors who acted for the vendors on earlier sales shown in your own title.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Filling in of a ditch

Until about 20 years ago it seems there was a ditch running along the rear of our neighbours' properties, but it was filled in, and in some cases sheds have been put on the site. However, an occupant of a house whose garden backs on to the site of this ditch has complained of flooding and it has been put to us that we shall have to re-dig the ditch, or pay for it to be done. What, please, is the legal position?

If the ditch was filled as long as 20 years ago we know of no basis on which the residents can be required to dig the ditch again. However, if the owner of flooded land was granted an express right of drainage over the ditch in his title deeds, he may be entitled to require the other landowners to permit him to dig the ditch anew.

A fresh holiday lease

Is it advisable to extend a holiday lease granted originally for a two-month period to be extended for a further two months?

No, You should terminate the lease and grant a fresh lease after an interval.

Small amounts of tax

I live on a private estate on which the road maintenance is paid for by a levy on residents. We are currently "saving up" towards resurfacing the road and at present have a little over £1,000 in hand, invested in Treasury 10½ per cent stock 1978 on the Post Office register. The Inland Revenue have just discovered the position and have assessed us at 42 per cent corporation tax on the entire investment income.

Is this correct? Would a building society, notionally taxed at 33 per cent, avoid the nuisance of having to make an annual return? Am I correct in thinking that provided the amount is sufficiently trivial there are no lengths to which the Revenue will not go?

Presumably the Treasury Stock (on the National Savings Register) is vested in a residents association—an unincorporated body of persons—and is not simply held jointly by the present (and possibly former) residents as beneficial owners. That being so, the answers to your first two question are (i) yes and (ii) no, there would be a net 9 per cent tax liability on building society interest.

If there is no accountant or solicitor among the residents, the treasurer will doubtless think it prudent (for his own protection, at least) to suggest that the association seek professional guidance. Money spent on advice now may not only save problems with the taxman but also avoid disputes and recriminations among the residents in the years to come—no matter how friendly you may all be at present.

You should not blame the taxman for pursuing small amounts of tax: he has not been given much discretion by Parliament. Section 2(1) of the Income and Corporation Taxes Act 1970 says that "the due proportion of income tax should be charged for every fractional part of one pound, but no tax shall be charged of a lower denomination than one penny or, as the case may require, one new penny," so you can rest assured that the halfpennies are safe from the tax collector.

Travelling tales

TAXATION
DAVID WAINMAN

IT IS broadly true, but only broadly, that travelling on business is non taxable, while an employer's reimbursement of home-to-office costs brings with it a tax liability for the employee.

The cases fought and won aaginst the Inland Revenue by Dr. Owen and by Mr. Taylor were examined recently in this column. Readers will recall that each was employed, and in each case the main duties of the employment were to be performed at some distance from their homes, and that each escaped tax on reimbursed travelling expenses.

Dr. Owen had a general practice in Fishguard, but he was also employed on a part-time basis by the hospital twenty miles away in Haverfordwest. He was able to explain to the General Commissioners of Incime Tax, in the first stage of his battle with the Revenue, that his responsibility for a patient in the Haverfordwest Hospital started when he was called from his home in Fishguard: in that sense he was travelling on business—but it was not that feature which swayed the House of Lords in his case nor in the later one fought by Mr. Taylor.

The fact which Lord Reid identified as significant was that the hospital was fully aware that Dr. Owen was not going to give up his practice when they offered him the part-time post. They therefore accepted that his travel to the hospital was a "necessary" part of the employment they were offering him—there was no one else who could do the work.

For the general run of employers, the contract offered to a potential employee recognises and stipulates only the place at which the duties are to be carried out. The Revenue are therefore able to say that where an employee lives, and how much he spends travelling from and to his home are matters of personal choice, not necessity. They say this not only for the humblest employee, but also for the very senior man who carries his responsibilities with him wherever he goes, and who may frequently be telephoned at home in the evening, or summoned back to his office to deal with some pressing matter.

But Dr. Owen is not totally alone in his tax free travelling. His fellow travellers can be categorised into four broad groups. First there are those who should logically be taxed, but who benefit from an anomaly in the legislation. For those earning less than £7,300 p.a., benefits in kind are only taxable if they can be turned into cash, and the measure of taxability is the amount of that cash. It has therefore been confirmed in Parliament that if an employer provides for his lower paid employee a season ticket in such a way that the employee cannot surrender it for cash, then there is no resulting liability.

Employees whose employer collects them from home in his own transport can similarly travel tax free. (This column has said before that it is wrong to read into the word anomaly the suggestion that this is an undesired feature of the legislation: it is the positive choice of Parliament that the law for the poor should be different from that for the rich.)

Seamen travelling from home to join their ships are said to benefit from revenue concessions and not to be taxable on any "benefit" even though their employers pays them in cash the amount laid out.

This brings to mind Mr. Justice Walton's strictures in July 1977 in giving judgment in the Vestey case—"this, surely, ought to be a matter for Parliament and not the Commissioners of Inland Revenue If this kind of concession can be made, where does it stop: and why are some groups favoured as against others?"

In fact the true position is that the revenue has not taken to themselves the right to make any such concession—there is none and the reimbursements are taxable.

Then there is a third category of travellers who have been considered favourably by Parliament. The necessity for consideration stemmed very largely from the legislative changes made in 1974. The Finance Act of that year set out to reduce the taxes payable on their earnings by those working abroad—but only if all of the duties of the employment concerned were performed abroad. The salesman whose activities covered this country as well as his company's export sales could only obtain the advantages that the law envisaged if he had a separate contract of employment for his overseas trips. But as soon as he had a separate foreign employment, then travelling from his home in this country to the "place" at which he was employed abroad became non-deductible.

The situation was in fact less straightforward than that. A Revenue concession permitted directors to travel tax free between the locations of group companies. For employees, yet another Revenue concession gave freedom from tax for travel from home in the UK to foreign workplace. But if the director or employee, whilst operating at his foreign base were to say that he was working away from home and should therefore be reimbursed his hotel and other subsistence costs, the Revenue promptly pulled the rug from under him.

If his overseas employment was separate, they said, then living in Brighton while working in Frankfurt was a matter of personal choice: he could no more expect to have tax-free accommodation provided for him in Frankfurt than he could have a free flat in London if he were working in London, but found the commuting tedious to and from Brighton.

In 1977 Parliament directed the Revenue to take a less restrictive attitude. Travel costs from home in the UK at the start of a wholly foreign job are now tax free by statute, and so also are lodging and subsistence costs, borne by the employer during the employee's absence, and of course his return home at the job's conclusion.

Under other 1977 amendments, an employee spending 30 or more days abroad in a fiscal year could obtain the same tax reductions on earnings, whether or not his overseas duties were structured into a separate contract. The single contract man claims his travel and subsistence on the footing that all the time he is away from his UK employment base he is travelling in the performance of his duties, and not travelling from home to office. His tax situation, both for earnings and reimbursed expenses is thus exactly the same as that of his dual-contract colleague dealt with above.

Parliament had accidentally brought into tax in 1976 the rail warrants issued to servicemen going on leave. In 1977 this was statutorily reversed, so that the armed forces are a second element in the general category of individuals freed by law rather than by concession.

The fourth and final category comprises the compassionate cases. A husband abroad for 60 days can visit his family in the UK, or can be visited by them. His wife and children are each allowed two trips per fiscal year, but his visits to see them must be at least 60 days aparf. And tax exemption only applies if the employer bears the costs, not where the employee himself pays. A cynic might say that the compassion shown by tax gatherers is always somewhat circumscribed.

Healthy incomes

INSURANCE
JOHN PHILIP

TALKING about Permanent Health Insurance recently I said that there is no point in spending good money covering 100 per cent of loss of income from disablement due to injury or illness because all permanent health insurers have clauses in their policies restricting the amount of money the policyholder can receive. The maximum is 75 per cent of average pre-disability income and this amount is further cut back because in reaching this percentage insurers take into account, for example, all other payments under disablement policies whether annual or PHI, some or all payments under the state scheme, and so on.

On reflection, perhaps I should have said that in the immediate and short term there is no point in spending such money, but that as a hedge against inflation or even against non-inflationary improvement in earnings, perhaps it is not a bad idea to over-insure at the outset so that one has an adequate level of cover for a longer period and thereby avoid the need almost straightway to review the amount of benefit receivable and top it up.

As with all other insurances, regular, if not annual review of one's PHI is needed—and as premiums are age-related, every time one tops up (assuming one's health is still satisfactory) insurers' price per £1 per week of benefit will rise. But if one's health has deteriorated then topping up may become more expensive, and in the extreme case, impossible.

Insurers recognise that both these methods—over-insurance at the outset, subsequent regular topping up, are unsatisfactory and the majority of companies selling PHI cover offer the policyholder some opportunity of buying some built-in protection against inflation.

Most insurers offer the opportunity of buying a benefit which increases only during the currency of the claim: with this kind of escalator, the level of benefit to which the policyholder is entitled remains unchanged from that fixed at inception, unless and until he has a claim for long term disablement.

Then, and only then, does he enjoy the escalator for which he has paid over the intervening years, and this escalator usually operates at the rate of 3 per cent compound (sometimes 4 per cent or 5 per cent) at the end of each year of disability but it not only comes to a halt as soon as the policyholder's disablement ceases—it immediately carries him smartly back to the amount of benefit fixed at inception, only to go into forward gear if he is again disabled for a long time.

This kind of escalator gives no protection against the effect of inflation on the original benefit, unless the policyholder is unfortunate enough to become permanently disabled early in the life of the policy—he must therefore regularly review and top up.

Better is the kind of escalator which offers an automatic increase in the level of benefit at regular intervals. In its simplest form this kind of escalator increases the benefit by, say, 5 per cent simple at each policy anniversary, but some insurers operate escalators which provide say a 25 per cent raise every four years or so.

Whether the automatic increase is annual or less regular the policyholder pays a higher than average premium at the outset, because insurers are waiving their opportunity of underwriting future increases in benefit in the light of the policyholder's then medical condition. Apart from this initial premium loading the policyholder has to pay for his extra cover as it accrues.

So, if he buys an annual escalator he must budget for a relatively small annual increase commensurate with the agreed percentage, not forgetting that he will be a year older each time, and that the extra cover may be charged at the rate appropriate to his increased age.

All through these comments I have used the male personal pronoun. But this does not mean that P.H.I. is not available for women—it is; but at a price in excess of what the average healthy man has to pay. It is in the field of life assurance and disablement insurance that there is sufficient statistical evidence to allow insurers legally to discriminate on the grounds of policyholders' sex.

While, on average, women live longer than men, and therefore enjoy better life assurance rates than do men of like age, there is a wealth of statistical evidence that women are less averagely healthy than men making both more and longer claims for disability.

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Footing the bill for job leavers

PENSIONS
ERIC SHORT

THE LOSS of pension rights an employee suffers when he changes jobs is the most urgent problem the pensions industry faces. Yet at present the industry seems to be devoting most of its time to other problems which, though important, are far less relevant to the member of a typical pension scheme.

Job leavers lose out because in most schemes pensions are geared to final salary. If you leave a job before retirement your pension is frozen in the money of the time of your move. At a time of inflation, therefore, the total pension you end up with will be less than if you had stayed put. The greater the inflation rate the bigger your pension loss.

HOW INFLATION HITS JOB LEAVERS

Man aged 45 with 20 years service with employer A, earning £6,000 a year

	Nil Inflation £	5% Inflation £	10% Inflation £
His salary at 65 will be	6,000	15,920	40,365
If he stays with employer A to 65 pension will be 40/60th of final salary	4,000	10,613	26,910
If he moves to employer B at same salary his pension from B will be 20/60th of final salary	2,000	5,307	13,455
And his preserved pension from A will be 20/60ths of £6,000	2,000	2,000	2,000
Total pension	4,000	7,307	15,455
His loss if he moves	Nil	31%	42%

In drawing up the current rules for the preservation of pensions the legislators blithely ignored the effects of inflation. But now the Government has asked the Occupational Pensions Board to consider again the whole question of transferability of pensions on change of jobs.

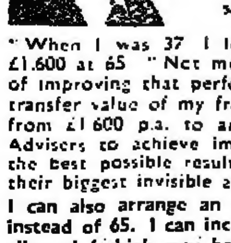
At first sight, the case for full transferability appears irrefutable. It seems only fair that an employee should get two-thirds of final salary, irrespective of how many times he changes jobs during his working life. But the crucial question is: who pays the bill?

Employer A in the table can, and probably will, say that once an employee has left his service, he should not be responsible for any further costs towards the final pension. Running a company pension scheme is expensive and if more money has to be put into the scheme it should be used to improve the benefits of employees who stay.

The OPB has to balance these conflicting views. And it is doing so from a position of relative ignorance, at least until it can assess information from employers, trade unions, the pensions industry and workers. It has also to take account of wider economic implications: are people, for instance, discouraged from moving jobs because of the poor pensions deal they get if they leave their present job? If so, is this bad for the economy? The board would like to get the public's opinion and would like, for instance, to assess how many people over 35 would change jobs if the pensions deal was improved.

Mr. David Ennals, the Social Services Secretary, appreciated the urgency of this problem and asked the board to report within two years. But no-one else shares this appreciation. The OPB originally asked for evidence to be submitted by October 31. But although some evidence has been submitted, the board itself has been too pre-occupied with contracting-out.

Write to the Report Secretary, Occupational Pensions Board, 16-19, Gresse Street, London W1P 1PB.



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YOUR SAVINGS AND INVESTMENTS

In a book to be published next week, **Robin Duthy** warns of the pitfalls of investing in coins, stamps and other tangible assets. This extract explodes some myths about diamonds.

Unwary diamond investors take a pasting

Spotting the flaws: only an expert can value a diamond

APART FROM jewellers, there are only two kinds of people who can justify buying diamonds for financial reasons. First, there are people who think they may one day have to make a run for another country — in other words, they buy diamonds, as many Italians have recently, in fear of a Communist victory, as a highly portable asset rather than for their investment attractions. The second kind are very rich, very astute individuals who must know at least as much as the dealers from whom they buy.

Most retail jewellers know very little about diamonds and many of their salesmen even less. These salesmen are often working on generous commissions and therefore have every incentive to make extravagant claims for the pieces they have to sell. *Once a diamond is encased, it becomes difficult to make more than a rough assessment of its quality particularly since the setting itself may be designed to hide a flaw.*

The average buyer will not usually have the faintest idea what he has got until he tries to sell it. It is then that the nasty surprises tend to begin. *Many jewellers will simply refuse to make an offer at all.* A jeweller has, after all, his regular supplier who offers him credit whereas the private seller will certainly want cash and so the only commercially sensible offer he could make might be as low as 20 per cent of the original retail price—an offer which, unless the seller were in desperate straits he would be most unlikely to accept anyway.

In America the jewellery business is not officially regulated and it is hard to get knowledgeable and impartial advice. The highly respected Gemological Institute of America is concerned only with the scientific appraisal of gemstones and will not be drawn into any discussion of their commercial value.

There are several "laboratories" around the world of doubtful scientific standing, attached to diamond investment organisations, which issue certificates purporting to give the buyer of any diamond its precise colour and clarity grading. A programme has started to grant official recognition to a chain of laboratories of precious stones in a number of countries *which will scientifically grade* stones to a common international standard. Its success can not yet be measured but its establishment at least acknowledges the need to introduce some order and perhaps even a little safety into the present diamond jungle.

A senior official of the Gemological Institute of America summed up the whole "diamonds for investment" issue as "all so ridiculous." It undoubtedly creates much ill-feeling among investors who have been gullible enough to buy and find themselves unable to sell without a serious loss. It can only be bad for the jewellery industry whose legitimate function — to sell people objects of aesthetic or emotional value — is increasingly abused by unscrupulous dealers who *implicitly and often explicitly* offer a guarantee of capital appreciation.

Over the last ten years, interest has grown in jewellery designed or executed by certain famous makers. Experts are *beginning to be able to* attribute unsigned pieces to particular makers and such attributions can do for their price the same as an expert's attribution can do for the price of a picture. The work of two great Italian 19th century jewellers Castellani and Giuliano is very much in demand today. They invariably signed their pieces which are of outstanding quality and therefore very hard to fake.

Similarly, demand for certain early pieces from the great "houses" such as Tiffany, Cartier and Chaumet has grown considerably, as collectors have begun to appreciate their design and workmanship. Although the material used in these pieces may not be any*thing but good quality mêlée* and the break-up value often quite low, the artistry and craftsmanship can lift the saleroom value to five or ten times that of a clumsy or unattractive piece of the same break-up value. If research in this field continues at its present rate and more publications appear, it is likely that rising prices will follow the newly-generated interest.

The fashion for fancy-coloured diamonds—pink, cinnamon, canary and so on—has always been fickle. Certainly the Japanese, who were important buyers of coloured diamonds before the 1973 recession, were taking losses on those investments when they realised them in 1977. *Investment in diamonds remains a very hazardous business* and honest, responsible dealers will usually dissuade customers from buying them for that purpose alone.

It has been possible to make money out of diamonds in the past but to have done so would have required the help of an unusually reliable diamond merchant as well as an extensive knowledge of the market. *If you are still determined to* brave the dangers of diamond investment, you can get names *of reputable dealers* from the London Chamber of Commerce.

Alternative Investment by Robin Duthy is published by Michael Joseph at £8.50.

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Pushing their luck

ASSURANCE

ERIC SHORT

TAX RELIEF on life assurance premiums applies only for contracts of 10 years or more. If *a life company offers a straight* five year savings plan, then tax relief is not available. Is it right, therefore, that a life company should dress up a five-year plan in a 10 year guise in order to get this tax relief? The legal answer is yes. But most insurance men would say no.

The creators of National Mutual Life's latest guaranteed income bond have found a new way to make the most of tax relief, to the benefit of bond holders.

It is a five-year bond, yielding an attractive 9 per cent net of basic rate tax. Most of your capital goes into a temporary annuity which pays the income and meets the premiums on a 10-year non-profit endowment policy. The company guarantees that the surrender value after five years will equal your original capital and in the meantime the premiums get tax relief, to the benefit of bond holders.

The Inland Revenue, quite rightly, does not like this kind of ploy to achieve tax relief on contracts that were not intended to qualify. It could well take action that would affect the whole insurance industry. This is the lesson of history. The actions of some life companies which marketed plans in the early 1970s that made unexpected use of the tax relief conditions by guarantee*ing early surrender values on* 10-year contracts resulted in the introduction of "clawback" on surrenders in the first four years.

The danger is that the Revenue could now extend the clawback period to 10 years—or seek to control the marketing of products.

National Mutual may claim that the surrender after five years is only an option and that the investor can continue for the full 10 years paying half the premium. But the terms of the policy strongly discourage him from doing this. An investor aged 45 investing £2,000 in this scheme would pay—from the *annuity—a half-yearly gross pre*mium of £164 for the endowment policy. This will pay £3,200 after 10 years, compared to £3,576 from an ordinary non-profit endowment with same premiums throughout. But the surrender value after 5 years, *on ordinary non-guaranteed* policy, would be only £1,681.

A second point is that life company actuaries are strongly resisting pressure from consumer bodies to guarantee surrender values. If one particular company guarantees a surrender *value, it weakens the industry's* case.

And in the end that would mean lower returns for life policyholders, because companies would have to pursue more conservative investment policies.

The Government Actuary's Department, in its capacity as actuarial adviser to the Department of Trade, requires that guaranteed surrender values should be covered by assets. This means that it would want assets matched over five rather than 10 years.

One may ask what is the role of the Life Offices Association in this particular area: after all, National Mutual is a member. The Association discontinued its tax avoidance rules when the 1968 Finance Act laid down the comprehensive schedule for tax *qualification of life policies.* The LOA general policy is not to interfere with the marketing practices of its members. But it has to keep in mind the long term interests of the industry and it does a lot of work behind the scenes. This could be a case for its attention.

American bulls in a corral

UNIT TRUSTS

EAMONN FINGLETON

HOLD TIGHT. That is the unit *trust industry's* advice to bemused investors in American trusts after one of the bumpiest rides Wall Street has experienced since 1929.

By the middle of this week, many investors attracted to American shares by heavy unit *trust promotions in the spring* and early summer were sitting on losses of almost a fifth. But a survey of unit trust groups prominent in promoting the American message showed that though they are in many cases rueful about earlier euphoria, they remain confident their unitholders are on a long-term winner.

Commenting before President Carter's latest measures, most groups hedged their bets on the immediate outlook.

John Hodson, investment manager of the Target group, *was probably the least equi*vocal. He said: "The panic of the last fortnight is a bit crazy. *By the end of the year the mood* will be less tense and in six months time unitholders in our American fund should be showing a very satisfactory gain compared with today.

"When Wall Street hits the bottom it could bounce back dramatically."

Paul Nix, investment director of M and G, has been buying American shares again after publicly warning that the buying spree on Wall Street earlier this year was overheating the market.

He said: "We became very cautious about America in August and this was reflected in the advice we were giving investors through our private client department. On a nine to 18 month view our unitholders should be doing well.

"American shares are fundamentally better value than British ones."

John Archibald, investment manager of the Save and Prosper Group, expected confidence to return on Wall Street once *American interest rates* are seen to have peaked.

He said: "We did not buy as much as *some other groups* on the way up but we are now buying as shares fall. Our liquidity is down to about 5 per cent.

"It is a case of holding one's nerve."

Richard Timberlake, managing director of the Schlesinger group, emerged as the most cautious about the immediate outlook.

By staying out of the premium (investing with borrowed money instead) and by going liquid a fortnight ago, Schlesinger managed to cushion the effect of the Wall Street panic. But since the Carter measures, the group's confidence in America has perked up.

Mr. Timberlake said: "In the long-term we think investors should have about 20 to 40 per cent of their money in Wall Street but between now and Christmas we would suggest no more than between 10 and 15 per cent. The best value is in big companies, whose shares are holding up better than average. We are staying out of the dollar premium because we are worried *that in the long-term it could disappear.*"

Higher rates

SAVINGS

EAMONN FINGLETON

THE NATIONAL Savings Department and the building societies face new competition after this week's rises in bank deposit rates.

Until now, only the sleepiest savers have left their money in an ordinary deposit account with the Big Four. But for non-taxpayers, the banks' new deposit rates—9 per cent at Barclays and Midland—are a credible alternative to the 9½ per cent the National Savings Bank pays on investment account money. Many pensioners and others on low incomes will now prefer to have their money with the Big Four because withdrawals are easier.

At the other end of the market, the banks are challenging the building societies for big money—particularly where the depositor wants to stay fairly liquid. Barclays, for instance, was offering just over 10.8 per cent yesterday on three-month deposits of £10,000 or more. That works out at a net of 7.2 per cent for an ordinary rate taxpayer compared with the standard building society deposit rate of 6.7 per cent.

For medium term money, the building societies are still looking the best bet for most taxpayers. Societies' term rates are variable and the usual formula is 1 per cent over the ordinary deposit rate. Currently, that means 7.7 per cent net of basic tax or 11.4 per cent gross.

The 14th issue of National Savings Certificates, offering 7.6 per cent tax-free over four years (with easy withdrawal in *the meantime*) is still supreme for most high-rate taxpayers.

Hoare Govett talks to the private investor

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For further information, write to A. Tyser, Principal in charge of Private Clients, at the address below.

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SELECTED MARKETS

The brief analysis that follows indicates why each of the countries represented in the Trust's initial portfolio has been selected by the Managers.

Japan. Although renowned for its export achievements, Japan owes its industrial success mainly to a large and buoyant domestic market. It is often forgotten that the population of Japan is more than double that of the U.K., and its per capita income is significantly higher than the U.K.'s. With inflation under control, a disciplined and responsible work-force and a remarkable record of industrial adaptability, the economy has resumed its strong upward long-term trend after the setbacks of the 1973 oil crisis.

The stockmarket, the world's second largest, covers a diverse range of both large and small companies whose profitability should continue to benefit from low interest rates and a positive attitude towards the creation of wealth, giving Japanese shares excellent long-term growth prospects.

Hong Kong. This sensitive and extremely active market is characterised by well-established trading, financial service and property companies, together with fast expanding manufacturers, particularly of textiles and electrical equipment. With China's new regime advocating industrial growth the prospects of Hong Kong, the outlet to free trade markets, maintaining its burgeoning output and growth record of the last three years look good.

Singapore and Malaysia. Malaysia's growing political stability and economic sophistication have produced an expanding industrial base, on top of the well established companies dealing in rubber, tin and other raw materials. With Singapore well established as a major international port and financial centre, the choice of shares is wide and appealing. However share prices, unusually dependent on world trade levels, can be volatile, making this very much a market for the professional investor.

Philippines. Although the economy still depends heavily on commodity exports, current oil exploration activity could, if successful, greatly improve the outlook for stocks and shares.

The Managers judge that Korea and Taiwan, despite their booming economies, should be excluded for the time being for technical and political reasons. If the situation alters, this decision would be re-considered.

If long-term capital growth is your aim, then our belief is that judicious investment in selected Far Eastern stockmarkets represents a most attractive opportunity.

We would, however, like to emphasise that Chieftain Far Eastern Trust should not be regarded as a short-term speculative investment. The prices of stocks and shares rise and fall, and the price of Chieftain Far Eastern Units will fluctuate accordingly.

Income will be paid annually, but those who require principally a high dividend yield rather than capital growth are advised to consider Chieftain's income trusts.

PORTFOLIO BALANCE

The Trust's funds will be invested in about forty Far Eastern stocks, selected for their good growth prospects.

Initially it is anticipated that some 60% of the portfolio will be invested in Japan, 25% in Hong Kong and 15% in other areas.

Japan is judged to be the most attractive of the Far Eastern markets at present, because it appears that further Government stimulation of the economy will be likely in an attempt to reach the agreed 7% growth target this year. Japan's low inflation rate and strong balance of payments give the Government considerable scope for further measures which should help the stockmarket. Companies trading domestically will be favoured rather than exporters.

The Managers will shift the balance of the portfolio from area to area in the future as financial conditions change.

A COMPLICATED INVESTMENT MADE SIMPLE

Far Eastern investment has its obvious attractions, but a private individual, investing alone, would need formidable resources of capital, information and investment currency to achieve his objectives.

However, Chieftain Far Eastern Trust takes the problem off the investor's hands. Your capital can be simply, soundly and efficiently invested by full-time investment professionals.

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If you wish to realise a part of your portfolio and invest in Chieftain Far Eastern Trust, the Managers can arrange to sell your shares for you, and will absorb all the usual costs of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £500. Tick the box in the coupon for full details.

YOUR REASSURANCE

Chieftain Trust Managers Ltd. was established in September 1976. Its five trusts, dealing in overseas as well as U.K. markets, have already attracted funds worth £11 million. This exceptional rate of growth has owed much to the considerable support Chieftain has received from stockbrokers and investment advisers.

The Trustee of Chieftain Far Eastern Trust is Midland Bank Trust Company.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate.

The 1978 Finance Act states that unit trusts will pay tax on capital gains at the privileged rate of only 10%.

When you sell units you will receive a tax credit of 10% against Capital Gains tax. Therefore on unit trusts you should have no tax to pay on profits up to £3,000 on sales in any one year, and your maximum liability is limited to 20% of your gain. On sales before 5th April, 1979 the tax credit is even higher.

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Until 24th November units will be available at a fixed price of 25p each to give an estimated current gross yield of 1% p.a. Your application will not be acknowledged, but you will receive a certificate by 13th January, 1979.

Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

After 24th November units will be available at the price and yield calculated each morning.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of ½% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 01-283 3933 for further details of Far Eastern and other Chieftain trusts.

Distributions and a report on the fund are made yearly on 30th September. Income is paid net of income tax, but this can be reclaimed by non-taxpayers. This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd., Chieftain House, 11 New Street, London EC2M 4TP. Telephone: 01-283 2632.

The Directors of Chieftain Trust Managers Ltd. are P. L. Potts, M.A. (Chairman); R. J. D. Eats, M.A., M.B.A.; J. D. Gillett, B.Sc.; I. H. A. Hazeel, F.C.I.S.; A.L.F.K. Tod.

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(If there are joint applicants all must sign and attach names and addresses separately.) Reg'd office as above. Reg'd No. 74011

PROPERTY

The queue for Salisbury tranquillity

BY JUNE FIELD

SAMUEL PEPYS found Old Sarum was "so prodigious as to fright me to be in it all alone at that time of night," while Charles Dickens' Mr. Pinch in *Martin Chuzzlewit* "had a very shrewd notion that Salisbury was a very desperate sort of place: an exceedingly wild and dissipated city." W. A. Hudson in *A Shepherd's Life*, 1910 was more appreciative, drawing attention to "that soaring spire which, rising so high above the red town, first catches the eye, the one object which gives unity and distinction to the whole picture. . . ."

Salisbury cathedral's spire still soars 404 ft high, the tallest in Europe, above the tile-hung houses that surround the Market Place. And as David Burnett acknowledges in a pleasing new book, *Salisbury—The History of an English Cathedral City* (Compton Press £6), Salisbury's prestige continues to rise, and its prosperity continues to depend on the cathedral and concourse. "And conservation of its spiritual and architectural heritage has become even more important now that it has developed into a major regional tourist centre."

As Mr. Burnett points out, the impact of the 20th century on Salisbury's character is still hard to gauge. "The biggest threat to the character of the city centre has come from the inevitable increase in traffic. The medieval street pattern was not designed for the demands of the modern city, and the provision of car parks and a ring-road seem to have made little difference to the density of the traffic in the streets round the Market Place."

On the plus side is the conversion of the Corn Exchange into a new Playhouse in Malthouse Lane, and the development of the Cattle Market into one of the best in the south of England. Further amenities are listed in *Discover Salisbury and South Wilts* published in English, French and German (40p), and two booklets on *Where to Eat* and *Where to Stay* (25p each) all from the District Tourist Information Centre, 10 Endless Street, Salisbury.

Salisbury Cathedral Close is now the biggest cathedral residential close in England. It originated at the start of the 13th century, when the ecclesiastical centre of Sarum moved to Salisbury. The cathedral was built, and around it the residences for the Cannons, which was the start of the residential community which today has about 74 private properties which are all leasehold, let on varying leases from seven years upwards. The market town of Salisbury developed beyond the Close community over the years.

While rents are by no means less than outside the community, there is still a waiting list of over 180 people anxious to move into its attractive and tranquil confines. The Close is walled on three sides and bound in by the River Avon on the fourth side, and the doors to the Close are locked at 11 p.m. each night by the Close Constable who patrols the community. Residents don't actually need "late passes," but they do need keys to get back in after 11 p.m.

The Dean is the trustee of the Close. I spoke to the Chaptor Clerk, General Foster, who told me that one of the main attractions of living in a Cathedral property is the feeling of tranquility that exists within the walls of the community and the pleasant quiet existence within a beautifully maintained area.

Almost all of the properties are managed by David Barke at Savills' Salisbury office, and the properties which surround the Cathedral itself, rather as chicks surround a mother hen, vary from one bed, one reception flatlets to six-bedroomed houses. These are occupied by private people, doctors, dentists, surgeons, solicitors, etc., Cannons, Bishops as well as the Dean and Chapter, and the Close Constable. Besides these residences there are three schools and a theological college.

Also in the Close is the impressive College of Sarum St. Michael, which became a training college for women teachers in 1852. The fine group of buildings is in the market as a result of a cut-back in the teacher training programme. The complex, which faces the west front of the Cathedral, with grounds going down to the River Avon, includes listed buildings (the medieval Kings House is in the rare Grade I category), lecture rooms, laboratories, staff flats, a large quota of study rooms, sanatorium, and chapel. The planning authority is willing to consider uses compatible with the Cathedral environment — academic, ecclesiastical, and social, etc., and local rumour has it that a hostel is interested. Humberts, 49 Castle Street, Salisbury office is handling the property, which has a price tag of £750,000 leasehold.

James Harris only opened their Salisbury offices at Crown Chambers, Bridge Street, in association with Harris of Winchester, in August, but already they have found that there is a strong demand for all classes of property. Mr. J. R. Trubshawe, their resident partner told me, "particularly in the country areas where there is a shortage of property in the higher price bracket."

The domestic property market in Salisbury is certainly still buoyant says Timothy Weale of Pearsons, with many buyers desperately searching for the right property. Over the past few months there has been a shortage of properties, with prices well on the increase. Much of the interest comes from Londoners wishing to retire to the area, and service personnel taking up postings in the district.

In the City centre Pearsons are selling an attractive development of 16 two-bedroom houses, intended as "starter" or retirement homes, being built by Dunning Developments, who built the Playhouse and Library. Of the four houses just released, three have already been reserved. Prices are from £17,000, and the next phase is due to be finished in two to three months time. Two miles out of the City, Dunning's have the last four "executive houses" out of 21 on offer in the £40,000-plus bracket, a considerable increase on the first houses, built 18 months ago, which were in the £27,000 range.

"Good Wiltshire farmhouses are becoming harder to find, and usually go to auction," says Mr. Weale. "Cowslip Farmhouse, Devizes, a mile from the city, once owned by writer A. J. Street, went under the hammer recently for £38,000 after spirited bidding.

"The search for a stretch of the river is constant too. The auction last month of Colemans Farmhouse, Lower Chicksgrove, a 200-year-old farmhouse with 135 yards of excellent trout fishing, attracted fishermen nationwide, from London to Cornwall, and one flew over from Belgium. A West Country fisherman bought it for £55,000, well over the price guide given."

Mill houses are also in great demand, especially when they include part of the mill-race. "The sound of water escaping over from mill dams, willows and rotten planks, slimy posts and brickwork—I love such things," wrote John Constable to his friend and patron John Fisher, Archdeacon of Berkshire, whose uncle was Bishop of Salisbury, the words coming to life in Constable's 1830 painting, *Salisbury Cathedral from the Water Meadows*. Part of an old mill weir Downton on the Avon, 7 miles south of Salisbury, a listed building for which planning permission for conversion into two dwellings has been given, was being offered by auction through Pearsons on a price guide of £25,000, and this type of property comes up from time to time.

For details of properties currently available write to Timothy Weale, Pearsons, 44 Castle Street, Salisbury.

Also near Downton, in Charlton All Saints, the major portion of Charlton Grange in ½ acre is for sale at £39,950. The place was originally three farm cottages belonging to Lord Radnor's Longford Estate, and has 4 bedrooms and 2 bathrooms. Full details Jackson and Jackson, The House On The Quay, Lymington, who are also handling the 5-bedroom Landford Cottage, Landford, near Salisbury, in 3½ acres, near Romsey, on the Wiltshire-Hampshire border for £89,500.

In Sherfield English, 10 miles from Salisbury, Broxmore Gardens is for sale with 9 acres at £75,000 through Humberts. The original old house dating back several hundred years has been opened up to reveal original ship's timbers forming the mantelbeams, inglenook fireplaces and a bread oven. There are 6 bedrooms, 3 bath/shower rooms, paddocks, patio with fishponds, and barbecue, plus a football pitch, tennis court and glasshouse with a Black Hamburg Vine.

The major portion of Charlton Grange, Charlton All Saints, Downton, near Salisbury, is for sale at £39,950 through Jackson and Jackson, The House On The Quay, Lymington. The property was originally three farm cottages belonging to Lord Radnor's Longford Estate, which have been restored and modernised to form a 4-bedroom family home.

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MOTORING

Individualistic Saab

BY STUART MARSHALL

SAAB'S problem is the same as that of all independent car manufacturers at a time when the big battalions are getting bigger and the little ones are tending to fade away. It is this: how can we keep our cars fully up-to-date without bankrupting ourselves on a brand-new body shell every few years?

Saab's answer has been a continuous programme of product improvement that makes their cars not just different to look at, but better in as many really important ways as possible.

Since Saab—the name means Swedish Aircraft Company—diversified into car making just after the end of World War II they have really had only two models. The first was the two-stroke, front-drive 92, which still recognisably lives on as the V4 engined 96, nearly 30 years after its introduction. The other is the 99, which started as a two-door saloon in 1967 and has since blossomed out as a four-door saloon and as three and five-door hatchbacks which look like coupés but has the utility of proper estate cars.

Now comes the 900, unveiled at the Paris Show at the beginning of October and due to arrive in Britain with right-hand drive early next March.

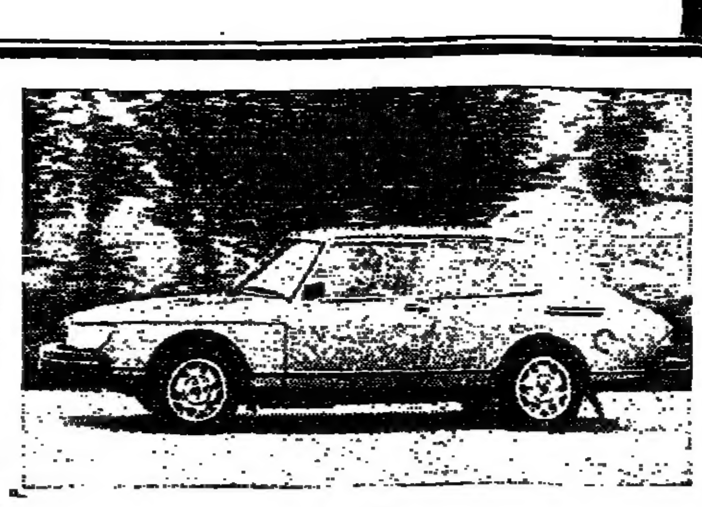
Superficially, the 900 is a 99 Combi with a Cyrano de Bergerac nose. Part of the extra eight inches overall length is accounted for by more massive, self-repairing plastic bumpers. But the wheelbase has also been extended by two inches to give more front and rear legroom.

Other changes include a revised front end with bigger headlamps and wrap-around side lights. The fascia has been redesigned and the heating/ventilation system has a filter that cleans all the air coming into the car, which should be a boon to hay fever sufferers. Changes to the suspension have softened the ride, especially on rough roads, and allowed the new Pirelli P6 and Michelin TRX ultra low profile tyres to be used. At the moment they are available only on the Turbo models but will be an option throughout the range by the end of 1979.

The 900 has the same two-litre, four-cylinder engine as the 99 with a choice of fuel injection or carurettors, with or without turo supercharging. A slight increase in weight has been offset by reduced air resistance so performance and fuel consumption is the same as before. Driven with some regard for economy, the 900 is frugal of fuel. Even the Turbo I tried in Sweden last week returned a little over 26mpg on a mix of gravel tracks and main roads.

Most of the new Saabs will be available with power assisted steering either optionally or as standard. It is an excellent layout, making parking effortless but retaining so much sensitivity to road conditions you can even feel the tyres running over small stones. This is important in Sweden where to be taken by surprise by a change in road surface can mean a slide into a ditch.

Swedish police take a stern view of drivers who bend the speed limit so Saab provided a closed circuit for high-speed testing. Here the Turbos on their P6 and TRX supertyres impressed by with their leech-like road grip and good manners on corners. Another car, laden to maximum weight with sandbags, behaved as impeccably when hard driven as did those that were running light. And in yet another, bursting a front tyre at 75mph by driving over a cutting ramp caused no more than a slight and easily controlled pull on the steering while I braked to a standstill. That is a benefit from Saab front suspension design.



Saab 900

Prices of the 900 models, which supplement the 99s for the time being, will be in the £6,000 to £9,500 range. Saab are confident that their new cars, and especially the Turbos, will appeal to business motorists who now drive BMWs, Mercedes and Granada Ghias. They could well be right. The Turbo, which will clearly be joined by other manufacturers' exhaust supercharged executive type cars in the next 12 months, offers two-litre economy or three-litre performance according to mood.

Saab deny any thoughts of creating a bigger engine for the 900, perhaps by making a V8 out of two cylinder blocks on a new crankcase as Triumph did years ago to power the Stag. They reckon the 125 mph Turbo is quite quick enough. What they are doing is to find new ways of adapting the two-litre engine to changing environmental conditions. One idea is to redesign the cylinder head so that the engine can be run on low octane petrol despite having a high compression ratio, which will give excellent fuel economy and clean exhaust gases. Another is to convert it to run on LPG (liquid petroleum gas) or petrol at the flick of a switch.

I tried one of these engines in a 99. It cold started instantly on LPG, spluttered a little when I experimentally switched to petrol for the warm-up, and instantly smoothed out when I turned over to LPG again. Saab sees the LPG engine being in demand by drivers who cover high annual mileage in urban areas. The beauty of the LPG-burning 99 was that it had a dual-chambered fuel tank. Until now, cars converted to use LPG lose half their luggage boots to accommodate the massive gas cylinder.

First flurries—and fat

TRAVEL

ARTHUR SANDLES

IT WAS the good news that came first. A 'phone call from a friend told me that snow was falling on the uppermost parts of our favourite mountain. Then came the bad news. A waistline much swelled by summer inertia proved a little snug for the ski suit that has sat in moth-balls since last May. So, its back to low calorie non-alcoholic lunches and lots of jogging.

This winter's crop of ski brochures is surely the biggest ever. Clearly the tour operators believe that this winter is going to see a boom and those that I have talked to recently already think that their confidence is well founded. If you are looking for accommodation in a good resort in the best season, or even more so at Christmas when the skiing is not necessarily good but the demand is high, then book as soon as you can—supplies are running out.

So wide is the choice this year that it is well worth choosing your resort first and then shopping for the tour operator who *is giving the best deal. Best* does not always mean the *cheapest basic price. Try to find* where the hotel is in relation to the lifts and look carefully at what is included and what is not. Insurance, lift passes, ski school and ski rental all add to costs.

As far as prices are concerned it remains true that skiing is not an inexpensive sport, but prices have remained remarkably steady over the past couple of years considering the hardness of most of the currencies involved. Two weeks in a popular beginner/intermediate Austrian resort like Brand in late February cost around £211 (Thomson) in a modest but pleasant hotel with two weeks lift pass adding £47.50 to that price and ski school another *£44.50. Ski hire is some £12.50* a week.

If your taste runs to more exciting stuff it is going to cost you a basic £372 (Supertravel) at the same time of year for a mid-range hotel for two weeks in Courchevel, France. In Spain the Scandinavian direct selling organisation Tjaereborg has rooms in the Sierra Nevada for £169 for one week at the Parador with half board. These are all just sample prices but chosen from high season and mid-range hotels. Go in early January and take basic accommodation and skiing comes much cheaper.

A good travel agent should have at least a dozen ski brochures to offer ranging from the winter sports giant Inghams to specialists like Crawford Perry Travel who tend to concentrate on the delightly Italian resort of Courmayeur.

An excellent guide to what is where has just been published by Marshall Cavendish. The World Ski Atlas by Mark Heller is a superb run-down on the world's most popular resorts. I *have ski-ed with Mark on runs* famous and unknown in many parts of the world and know this to be a work of love. Love comes expensive these days, however. At £9.95 nonetheless it would make a superb present for a keen skier.

*It is odd that a relatively low-*land nation like Britain has now somehow produced the world's best book of ski instruction in the Sunday Times We Learned to Ski and now the best guide to *resorts. Of course resorts have* been left out—I'd have kicked out Lermoos to make way for Mt. Alyeska—but the joy of siking is its subjectiveness.

Italian mountain snows: although parts of the Alps have seen early snowfalls a sudden flow of warm air has reduced ski prospects. However, there are still hopes of a cold white start to December.

Your Weekend-£: Austria 27.00, Belgium 59.50, France 8.00, Italy 1,610, Greece 74.50, Spain 143.50, Switz. 3.15, U.S. 1.98. Source: Thomas Cook.

A world where fairy tales still come true

GOLF

BEN WRIGHT

EVERY NOW and again one hears of a Cinderella golfing story, but the latest one to break upon the media here is the best I have ever heard. It is *probably well known in Britain* by now that the 21-year-old Queensland golfer Wayne Grady hitch-hiked his way to Adelaide to win the the A$60,000 CBA West Lakes classic at the Grange Golf Club last weekend.

The blond-haired youngster was reputed to have arrived with three dollars in his pocket and six dollars in his bank account before winning the tournament with a four-under-par total, having had rounds of 68, 72, 67 and 73. He thus won a cheque for $12,000.

Earlier in the week he had arrived to learn that a charity event had been staged for young players who had not survived the last two rounds of the previous tournament, the Victorian PGA championship. Grady was No. 24 on the list of 48 reserves for this minor event. He had the good sense to arrive at 7 a.m. and when his rivals failed to appear in considerable numbers he went out and scored 70 and 75, to win a cheque for A$722.

Grady then scored 68 in the pre-qualifying round for the major tournament and so progressed to a fantastic victory that even now is being described as the classical "flash in the pan."

By an accident of fate, in that one sat down where a seat was available, I dined with Mr. Grady and his New Zealand caddie James Varnam on Wednesday evening here after winning the Pro-Am that preceded the New South Wales Open.

The most astonishing story of Grady's victory came out in the course of conversation. He had *not had time to cash the cheque* for $722 before the weekend and had borrowed another $5 from his caddie before going out to play the final round so that he could purchase one new golf ball. If that golf ball had been lost, Grady would have had to play with his well-worn practice balls.

Incredibly, the young golfer turned for home in 35 shots, one under par, and then managed to record two birdies and an eagle between the 11th and 13th holes.

He had looked at the leader board as he came to the 13th tee to see that the experienced American campaigner Melbourne-born Bob Shearer had pulled up from nowhere to within one stroke of him on his way to a final round of 66. Shearer had started the round nine strokes behind Grady.

> Although he has yet to hit the golfing big-time Wayne Grady *made* headlines this week. "It is indeed a hard life if one intends to break through in this overcrowded game."

Instead of falling apart, Grady gritted his teeth and pulled clear by two strokes to win despite the commentary from his clubmate Greg Norman, acknowledged as the best *young Australian golfer,* who had said must blow up sooner or later.

Now it is Norman who has the lead here at the halfway stage of the New South Wales Open, *after rounds of 64,* a new record at Manly, and 72 for an eight-under-par total. But Grady has defied his critics, who said his victory was probably the one and only triumph of his lifetime, by recording two even *par rounds of 72 to be in the* thick of things.

But he has still received no free golf balls that are thrown about by manufacturers' representatives like confetti to the best amateur performers. His custom-built golf clubs have still not appeared, and the only recognition he has so far received from the manufacturers at all has been in the shape of two sports shirts.

It is indeed a hard life if one intends to break through in this overcrowded game.

I was perusing the first round scores in this event this morning and came across the name of Peter Berry, who because he had no State behind his name I assumed to be a native of New South Wales. It was only over *a cup of tea this afternoon that* I met the captain of the England boys' team of six years ago, the Peter Berry from Cheltenham who had scored 72 and 74 in this event easily to make the cut.

Berry had wasted last winter in golfing terms as a plasterer's labourer, and having survived that frigid experience decided that he would rather play golf this winter, even if he had to *hitch-hike his way to Australia.* He remained at home to try to finish in the top 60 in the Order of Merit, but missed the boat by playing badly in the European Open.

He had arranged to fly out at no charge to Melbourne with a consignment of racehorses being ferried from Lambourn—and I would have demanded danger money—but at the last moment *two gentlemen of his* acquaintance helped him out with a one-way ticket to Australia. He arrived here last Thursday, pre-qualified with a round of 75 at nearby Mona Vale, and is delighted with his progress so far.

At the risk of further boring the readers of this column, I am delighted that Berry has had the guts to come out here and play on a circuit on which recent events have proved (with due respect to Grady) that anyone can win.

And the money is not exactly negligible.

CHESS

LEONARD BARDEN

THE MARATHON battle of Baguio, the longest in terms of days of any world championship, featured heavyweight games of endurance rather than elegant attacking wins. The average game length was 48 moves, some ten more than normal for a master tournament; and only once—when Karpov punished a dubious opening novelty in game eight—was there a conventional attacking brilliancy.

It has to be added, of course, that the duration of the games reflected the intense and equal battle and the fact that both Korchnoi and Karpov specialise in endings.

By contrast, all-play-all master tournaments of 1978 have produced an unusual number of grandmaster miniatures, wins in 25 moves or less. *Short games* at this level can occur for several reasons. The most frequent is that the loser, normally playing Black, adopts a sharp and controversial opening variation and is taken by surprise with a new move prepared at home.

This explains Tony Miles's debacle against Mecking early this year, and also accounts for Hort, one of the most solid and reliable players on the international circuit, becoming the victim in the first game this week.

A second major cause is that one side makes a basic misjudgment of the position and builds *his whole game round it.* Thus in the second game all Black's troubles spring from the faulty 5...Q-N3, although in this case the loser has an uncompromising style which wins frequently at the price of the occasional bad defeat.

White: B. Larsen (Denmark). Black: V. Hort (Czechoslovakia). Opening: Sicilian Defence (Bugojno 1978).

The opening moves were 1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, PxP; 4 NxP, N-QB3; 5 N-QB3, Q-B2; 6 B-K2, N-B3; 7 0-0, P-QR3; 8 K-R1, B-K2; 9 P-B4, P-Q3; 10 B-K3, 0-0; 11 Q-K1, B-Q2.

While playable, Black's last move is less active than 11...NxN; 12 BxN, P-QN4, which starts queen's side counterplay and puts the bishop on its best diagonal.

12 Q-N3, K-R1? (losing more time; better NxN and B-B3); 13 QR-Q1, P-QN4; 14 P-K5!, PxP; 15 PxP.

A standard break-through idea *which seems to be a novelty in* this precise position. The point is several moves deep: 15...QxP; 16 B-KB4, Q-QB4; 17 N-N3, Q-R2; 18 B-K3, Q-N2; 19 N-B5, BxN; 20 BxB, R-KN1; 21 Q-N5!, followed by RxN with a winning attack. Deprived of this defence, Black can do little for the rest of the game but watch White bring up his pieces for the decisive attack.

15...N-K1; 16 N-B3, B-B1; 17 N-K4, K-N1; 18 B-KB4, N-N5; 19 N-B6 ch!, K-R1; 20 N-N5, QxBP; 21 N(6)xRP, BxN (or QxB; 22 Q-R4, K-N1; 23 N-B6 ch); 22 NxB, Q-N3; 23 B-Q2, Resigns. The *winning double threat is* 24 BxN and 24 NxP ch.

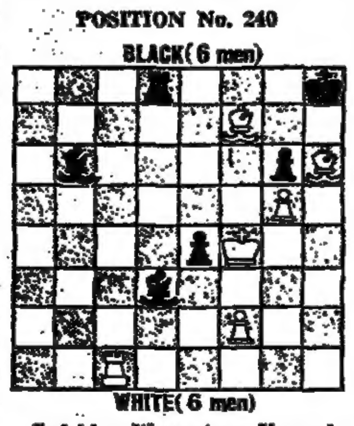
White: Z. Ribli (Hungary). Black: L. Ljubojevic (Yugoslavia). Opening: Barcza system (Niksic 1978).

The opening moves were 1 N-KB3, P-Q4; 2 P-KN3, P-QB4; 3 B-N2, N-QB3; 4 P-Q4, P-K3; 5 0-0, Q-N3? (the normal N-B3 is better than this premature aggression); 6 PxP, BxP; 7 P-B4, N-B3 (if PxP; 8 QN-Q2 regains the pawn and harasses the queen); 8 PxP, NxP; 9 P-K4, N-B3; 10 N-B3, N-KN5 (still optimistically eyeing White's KBP); 11 Q-K2, B-Q2; 12 B-B4! (more precise than 12 N-QR4, N-Q5), P-K4; 13 B-N5, P-KR3? 14 N-Q5! (refuting Black's strategy, for if now 14...BxP ch; 15 RxB, QxR ch; 16 QxQ, NxQ; 17 N-B7 ch), Q-R4; 15 B-Q2, Q-Q1; 16 B-B3, 0-0; 17 QR-Q1, B-K3; 18 P-QN4, N-Q5 (Black has no play, so tries a desperate pawn sacrifice); 19 BxN, BxB; 20 NxB, PxN; 21 RxP, R-B1; 22 P-K5, P-KR4; 23 P-KR3, Resigns.

For if 23...N-R3; 24 N-B6 ch wins the queen and leaves Black's game in ruins.

POSITION No. 240

BLACK (6 men)

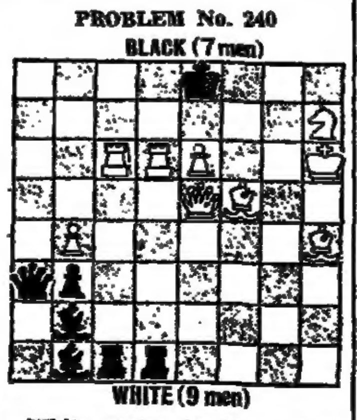


WHITE (6 men)

Gufeld v. Westerinen, Yurmala (Latvia) 1978. Despite the reduced material Black's king is in great danger because of the threat 1 R-KR1 and 2 B-B8 mate. Can Black (to play) save himself by (a) R-QR1 (b) R-QN1 (c) either move or (d) neither move?

PROBLEM No. 240

BLACK (7 men)



WHITE (9 men)

White mates in two moves, against any defence (by A. Casa, 1st prize Europe Echecs 1968).

Solutions Page 12

BRIDGE

E. P. C. COTTER

THE LEDERER Memorial Trophy was played for last month in London between six teams of star quality.

The event was won by the London County Contract Bridge Association, represented by Flint, Greenwood, Mahmoud, Priday, Rose, and Sheehan. The winners were helped to victory by this well-played hand:

N
♠ 9 4
♡ K Q 7 4
◇ J 10 7 6
♣ 7 6 4

W
♠ K 10 7 2
♡ 3
◇ 4 2
♣ Q J 8 5 3 2

E
♠ Q J 3
♡ 10 9 5 2
◇ K 8 5 3
♣ A 10

S
♠ A 8 6 5
♡ A J 8 6
◇ A Q 9
♣ K 9

With both sides vulnerable North dealt, and after two passes South opened the bidding with one heart, which his partner raised to two hearts. The opener showed that he had a good hand by rebidding two no trumps, and North went four hearts.

West led the club Queen, won by the Ace, and East returned the ten to South's King. The declarer now ducked one round of spades. West won with the ten, and led the Knave of clubs. This was ruffed in hand, East discarding a spade, and South continued with the Ace of spades, and ruffed a low spade on the table with the heart King, while East discarded a diamond.

West had shown up with ten black cards, so declarer decided that his hand pattern might well be 4-1-2-6. He ran dummy's diamond Knave, finessed the Queen in hand; cashed heart Ace and diamond Ace, and ruffed his remaining spade with the trump Queen, while East underruffed.

At this stage the declarer had made nine tricks, and his Knave of hearts was good for the tenth.

In the other room the contract was defeated. After the club lead and return, the declarer drew three rounds of trumps—a much inferior line of play—and tight defence by East did not let South recover from his mistake.

In the next example North-South reached the unusual contract of four no trumps.

N
♠ K J 10 9 3
♡ Q J 9 4
◇ Q 9 7
♣ Q

W
♠ 6 5
♡ A 10 6
◇ J 8 6 5
♣ J 10 4 3

E
♠ A 8 7 4
♡ 5 3
◇ A 10 4 3
♣ 9 8 7

S
♠ Q 2
♡ K 8 7 2
◇ K 2
♣ A K 6 5 2

With East-West vulnerable, North dealt and bid one spade, and rebid two hearts over his partner's response of two clubs. South now said two no trumps—played as forcing by this partnership—North said three diamonds, South raised the hearts to three, North bid three no trumps, and South pressed on with four clubs. Over this North meant to sign off with four hearts, but he said four spades by mistake, and South's four *no trumps* concluded the auction.

West led the five of diamonds, covered by seven, ten, and King. The Queen of spades was allowed to win the *next trick,* but East took the spade continuation, and summed up.

West must hold Ace or King of hearts—probably the former—and the only hope of beating three no trumps would be that, when West won a heart trick and returned a diamond, the declarer would make the wrong guess and play dummy's Queen.

Against *four* no trumps, however, the killing defence was an immediate return of a low diamond, which would collect two diamonds, a spade, and a heart, a total of four defensive tricks, sufficient to defeat the ten-trick contract.

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APPEALS

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FASHION

Fancy a fur

BY LUCIA VAN DER POST

LEFT: Boutique Furs, an enterprising manufacturer, started collaborating with the fashion students from the Harrow School of Art last year and the results of the design competition they launched are on sale this winter. The students have shown just how exciting fur can be these days — a far cry from the dowager-like minks that used to dominate the market. Photographed here is the second prize-winner's outfit—Surendra Solanki has interpreted the separates theme, so fashionable at the moment, in a way that is eminently suited to fur. The outfit should be worn complete but all the items can be bought separately. The rabbit blouson is about £120, the blue fox sleeveless coat is about £895 while the leather skirt is about £125. Find it at Dickins and Jones of Regent Street, London, W1 and Sefton Marks of Solihull.

●

RIGHT: Saga Mink started its association with the students of Harrow College of Art and Kingston Polytechnic ten years ago now and they find that more and more furriers are becoming interested in involving young people in the fur trade.

This particular Saga Mink coat is a wonderfully luxurious interpretation of the military look in pastel mink. It reverses to green leather and is worn with a matching hat. The dolman sleeves give it an easy fit and the hat adds a nice Anna Karenina touch. It was designed by Yaron Rothenberg of the Harrow College of Art and made by Frank Cooney of 23 Avery Row, Grosvenor Street, London, W1. It has already been sold but Frank Cooney will make more to order. Price is about £3,500.

THE image of furs has changed radically over the past few years. I always used to think of them as status-symbols for the rich, bought by rich men to pacify their wives or adorn their mistresses — with the sedate mink coats going to the wives ("such a good long-term investment. It'll never date") and racy red-fox for the mistresses.

I guess some of that still goes on but the design of furs has changed so much in recent years that it's obvious that many younger people must be buying them. Furriers have come to recognise that whereas once most people wanted classic high-quality furs that would never be absolutely up to date but never out of date either, nowadays more and more people are looking for first-class skins and up-to-the-minute styling as well.

Saga Mink, who have been using award-winning designs from students for years, have found that these often very avant-garde models, frequently costing thousands of pounds, sell almost as soon as they get into the shops. Boutique Furs, who have just started their association with student designs, have similarly found that already they have aroused a great deal of interest, initially among the retailers and now among the customers.

If you're thinking of buying a fur this winter you will, unless you are very rich or quite extraordinarily up to date, be in for a shock over the prices. I note that since I last wrote about furs some two years ago, the prices of the three most popular long-haired furs have risen dramatically—silver fox, one furrier tells me, is now strictly a luxury fur, an extravagance, while red fox and racoon have risen by 50 per cent. The jacket that would have cost you about £500 in 1976 would cost between £900 and £1,000 now. Musquash, too, has risen by about 50 per cent.

Mink, interestingly enough, has only risen by 20 per cent—ranching has increased the supply substantially and there is plenty of it about. A jacket that would have been about £1,300 in 1976 would now be about £1,650.

If you're young and not too well-off but want something to keep you really warm this winter, one furrier recommends Spanish lamb as one of the best buys on the market. It's selling tremendously well and though its disadvantage is that it can be heavy, if you buy a jacket you will get a great deal of warmth and glamour for between £140 and £170.

If you're worried about the conservation or cruelty angle it is worth noting that since 1972 all members of the British Fur Trade Association have observed a voluntary ban against the use of pelts from endangered species. About 85 per cent of the pelts used in the fur trade are either ranched or farmed, the remaining 15 per cent coming from trappers or hunters whose methods are controlled by their own governments. I have not myself ever been round a fur ranch but BFTA members claim that their methods are humane, that the animals must be well looked after to produce good pelts and that the method of killing has to be approved by recognised veterinary services.

If you still don't like the idea, don't buy one. Anybody who is wavering and would like to know more about the subject could write to the British Fur Trade Association, 68 Upper Thames Street, London EC4 3AN, who have produced a booklet on the subject called Facts about the Fur Trade and Wildlife. It is free but do enclose a stamped addressed foolscap envelope.

Threatened plants

GARDENING

ARTHUR HELLYER

NEXT YEAR has already been designated Gardens Year and the English Tourist Board is organising a special promotion at both regional and national levels to attract an even greater number of visitors than usual to English gardens. The hundreds of thousands who will undoubtedly respond, many spilling over into Wales and Scotland where gardens are just as beautiful and varied as in England, will doubtless be delighted with what they see and few will come away with any sense of pending disaster. Yet for years gardens throughout the British Isles have been under great pressure, none more so than those that grow large numbers of rare plants, and unless some quite revolutionary changes are made soon the present rosy picture cannot continue much longer.

The danger comes from rapidly rising costs of labour and material, penal levels of taxation and the increasing commercialisation of nurseries which can no longer afford to maintain stocks of plants more for the delight of their proprietors and a very small clientele than with any expectation of worthwhile sales. Many fine plants have already disappeared, some propably for ever, and a number of gardens have also gone, mostly broken up to provide land for new housing estates. Yet thanks to the tenacity and enthusiasm of private owners and the magnificent work of The National Trust, sufficient remain well stocked and in good condition to allay fears and mask the danger that lurks so near.

Powerful

Many powerful bodies exist to argue the case for the preservation of historic houses and they have had a significant effect on government policy.

By comparison the voices raised in defence of gardens and the plants they contain are woefully few and weak. The Garden History Society has had a lot to say but lacks political punch and speaks more to an elite already aware of the facts than to the public at large which, in the long run, can alone demand the changes that are necessary.

A huge task of education lies ahead and the first tentative steps were taken last week when the Royal Horticultural Society organised a conference to consider the practical role of gardens in the conservation of rare and threatened plants. It quickly split itself into three working parties: one concerned with the preservation of gardens themselves, a second with the identification and listing of rare and threatened plants and a third to study the propagation and distribution of such plants. Clearly the first of these considerations is of paramount importance since without the gardens there is not much point in identifying and propagating plants and there will clearly be nowhere to distribute them.

Botanic and public gardens are not, at present, at risk, but they are not adequate to cope with the threat to plants. Botanic gardens are, quite rightly, concerned mainly with species and those varieties of species found growing naturally in the wild. It is a task which fully extends their capacity and they could not be expected to cater also for the innumerable varieties and hybrids produced in cultivation. Public gardens and parks are very much concerned with these but primarily with those capable of making spectacular displays. It is only in private gardens, including those that have passed into the care of The National Trust, that one can reasonably expect the more restrained or difficult beauties that make up so much of our inherited plant wealth to be maintained, yet it is precisely these plants which are most characteristic of British gardens created in the past two centuries.

The great formal gardens of the 17th century and the tree-framed landscapes of the 18th century can survive without any rare plants but from the moment British gardeners fell under the spell of exotic plants and began to think of themselves as collectors as well as designers the whole character of our gardens changed.

The odd thing is that man experts still deplore the chang and speak disparagingly (modern gardens as lackin style and being so full of plan as to be barely manageabl. They would like to see a retur to simple formality or pictur making with trees, water an buildings, or may be would pr fer the excesses of Burle Mar rather than continue with th subtle elaborations of the pos Jekyll garden makers. I a certain that future generatior will make a very differer verdict and may well conside the early 20th century garden typified by Hidcote Manor, Si singhurst Castle and Bodnar (to which one could add She field Park since its 20th centur planting completely transforme its 18th century image) th high peak of our garden makin achievement. That is alread the judgment of most foreig visitors and it is what they wi be mainly looking for whe they flock into Britain fo Garden Year. May all the plan that make it possible be sti there in 2000 AD.

Great risk

One suggestion made at th RHS conference was that register should be compiled o all the plants now growing i well-known British gardens as first step to determining whic are at greatest risk and in mos need of rescue. Another wa the expertise of the horticu tural colleges and institute should be harnessed to the pro pagation of good plants whic are not at the moment of com mercial interest to nurserymen But everybody recognised th vital role of enthusiastic owners 4ET

There was also recognition o the necessity to encourage them by assistance, advice and, where due reason could be found, by tax relief in return for tangible public benefit.

All such projects require money and guidance. The Royal Horticultural Society is to be requested to continue its study of the problem and to sugges means of implementing the re commendations of the con ference. It may well be that eventually an independent garden and plants council or the lines of the Tree Counci will be required to co-ordinate the work of the many intereste bodies.

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HOW TO SPEND IT

by Lucia van der Post

"The sweat of the sun"

INCAS called gold "the sweat of the sun." While Vikings pillaged for it, Spaniards sailed through unknown seas for it, the New World was discovered because of it, today's money-brokers get ulcers putting money into it, and hordes of miners spend their days toiling for it. There's something about gold that through the ages has made man feel secure and at the same time has entranced and delighted him.

Most people already know that one of the world's greatest collections of gold treasures will be this winter's big attraction at the Royal Academy in Piccadilly, London (on from November 21 to March 18). The exhibition is called the "Gold of El Dorado," and many of the legendary pieces that the first Spaniards found when they came to Columbia and that now are the star turns in Bogota's Gold Museum, will be on show.

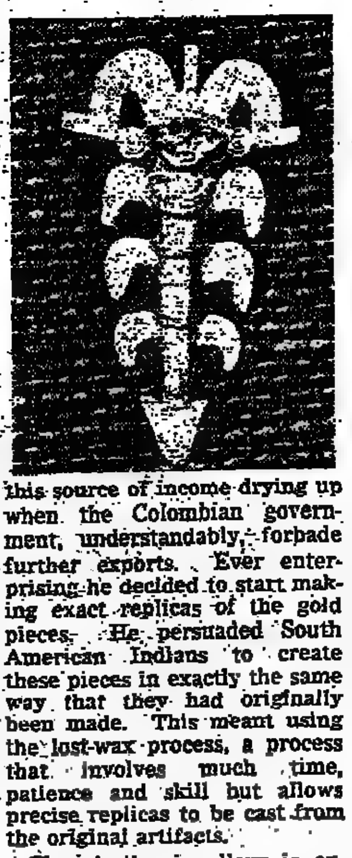
Though nothing can equal the originals and a trip to the Royal Academy seems a must, copies of the original jewellery first found by the Spanish sailors are now on sale at Harrods of Knightsbridge, London SW1.

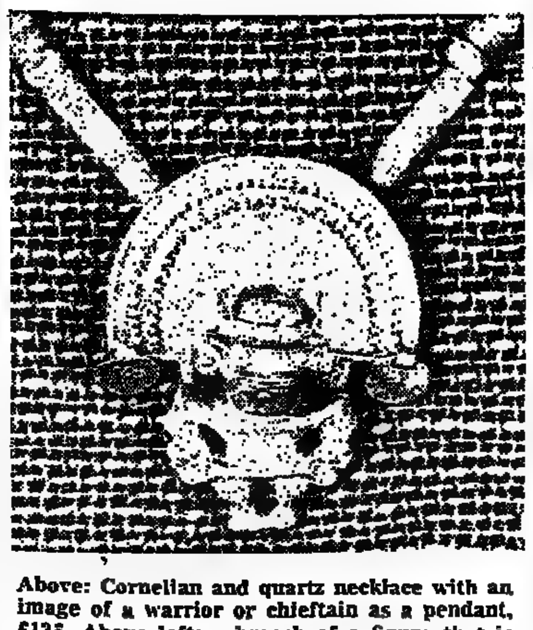
A certain Senor Guillermo Cano who had become used to earning large sums by exporting original gold finds, found this source of income drying up when the Colombian government, understandably, forbade further exports. Ever enterprising he decided to start making exact replicas of the gold pieces. He persuaded South American Indians to create these pieces in exactly the same way that they had originally been made. This meant using the lost-wax process, a process that involves much time, patience and skill but allows precise replicas to be cast from the original artifacts.

Though the jewellery is exclusive to Harrods in this country, it is already selling at a great rate in places like Neiman-Marcus. All of it has a brass base which is then plated in 24 carat gold. Where stones are used these are mainly Cornelians and quartz.

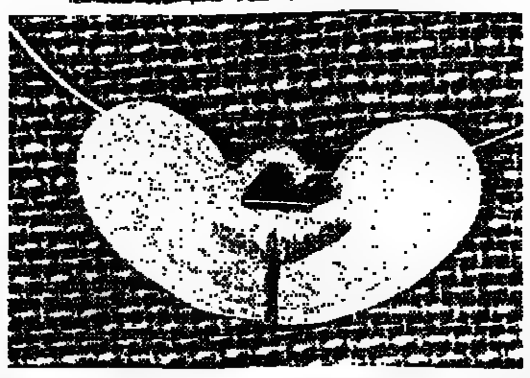
I think the jewellery is fascinating—it has a primitive quality, naturally, that appeals greatly but at the same time because the materials are fine there is nothing coarse or over-ethnic about it.

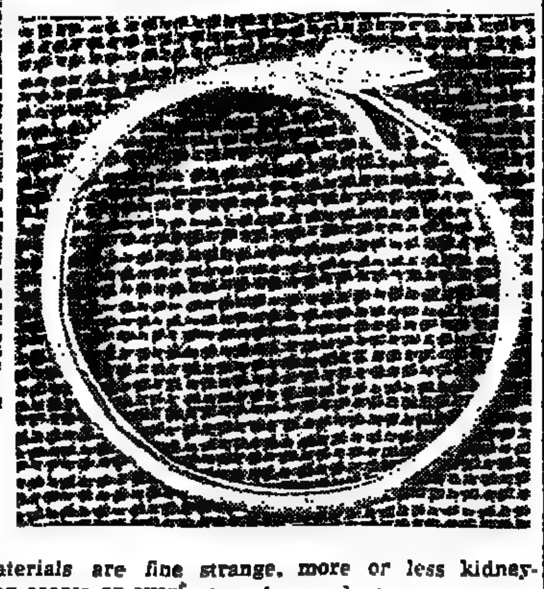
Among the nicest pieces are the pendants — sometimes bizarre artefacts have been turned into pendants. The strange, more or less kidney-shaped, pendants were once probably nose-pieces (must have given the Spaniards quite a fright). Anything with a frog is a symbol of water and fertility.





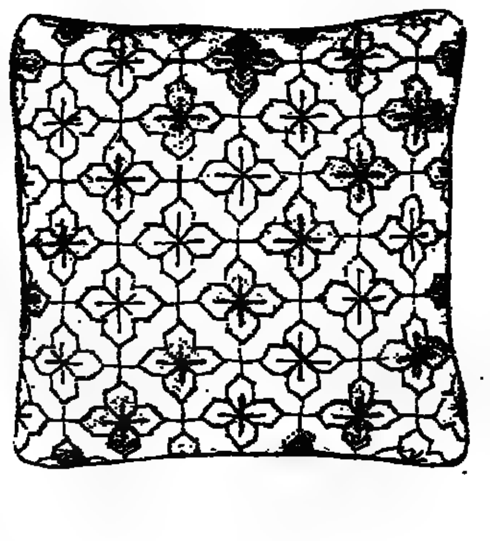
Above: Cornelian and quartz necklace with an image of a warrior or chieftain as a pendant, £135. Above left: a brooch of a figure that is half-man, half-animal, £25.





Right: Strange kidney-shaped pendant on a fine gold band was probably a nose-ring. £22.50. Below right: the snake or serpent bracelet is £37.50.

Stitch in time



IF YOU want to make something special for Christmas or just want to brighten up your own home, there's still time if you get cracking now. The Pearson School of Needlepoint at 104, Campden Hill Road, London W8, is run by Anna Pearson and she offers a very personal selection of her own kits as well as advice and classes for those who don't feel they are yet expert enough at needlework.

She has a very clear mail order leaflet which will be sent to any reader who sends a foolscap, self-addressed envelope with a 7p stamp on it to her at the above address.

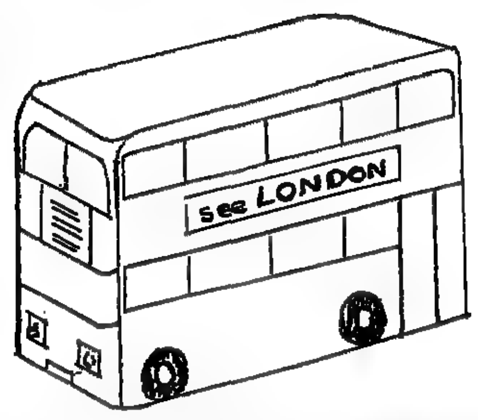
I particularly like her four kits for cushions. These, of course, come ready-packed with all wool, instructions and needle but in addition the canvas has been started with the design from which you then go on to complete the work. If you don't like the suggested colour-scheme or want a particular colour-scheme to tone in with a particular room, Anna Pearson will devise one for you.

These four cushions include two charming designs of stylised but gentle flowers (one is photographed above left) and two with stronger, more geometric designs. Each costs £12.50.

You can also order more individual items—there is a selection of pochette bags which can be worked with initials or designs into them (these, too, are £12.50 each). There are jewellery rolls with a choice of lovely designs—a Persian rug design looks nice, but then so too do the Florentine Mini prints. The jewellery rolls cost £15.00.

There are cushions with Christmas trees to be worked on them, some with abstract patterns on them. If you can't face doing anything too big there are little Christmas tree decorations or canvas tags at £3.00 for a kit of four.

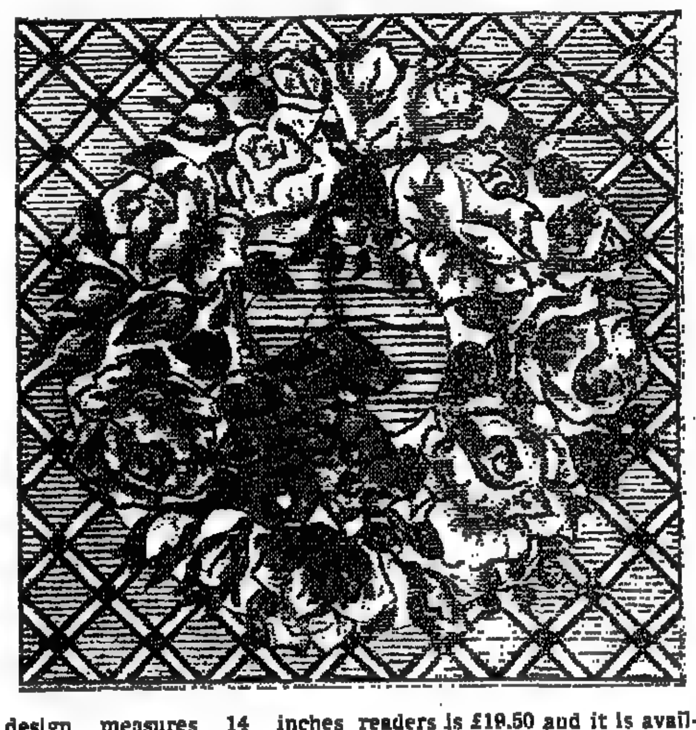
Perhaps though, the most unusual item is the London Bus door-stop (left, £15) which would be splendidly unusual.



GLORAFILIA is a small organisation run by two enterprising women who both have homes and children but wanted some outlet for their energies and creative ideas. They started providing needlework kits in a small way and have managed to create a recognisable style of their own. Their designs are eminently pretty, eminently usable but in a way that is much more reminiscent of, say, Designers' Guild, than the more fusty prettiness of the traditional needlework shop.

They have created a special design for Financial Times readers which seems to me to combine old-fashioned charm with modern taste. It is a Rose and Trellis design in lovely, misty pinks and blues and greens. The tapestry is hand-painted which means you get much more precise indications of where to stitch and a much finer finished effect.

The hand-painted tapestry comes complete with wool, needles and instructions, all rolled and ribboned in a pleasing way. You can choose between a rich earth brown trellis or an old rose pink trellis. The design measures 14 inches square, whilst the overall size of the canvas is 18 inches by 20 inches.



The cost to Financial Times readers is £19.50 and it is available by mail from Glorafilia, 10, Winterstoke Gardens, London NW7. Delivery will be between three and four weeks.

Chinese hide-aways

I CAN never have too many baskets. I use them for keeping sewing things in, for keeping bath foams and shampoos neatly together in the bathroom, for storing jewellery, buttons, dried flowers, as pot-holders or for keeping lipsticks and eye-shadow from invading the whole dressing-table.

For everybody else who has similar storage needs one of the nicest and cheapest sets I've come across is this set of three baskets all of which can be had for £6.90. (88p p+p). The smallest one has a 7 inch diameter, the middle one 9 inches, and the large one a 10½ inch diameter. They're made in China of split bamboo and are available by post or in person from Cucina, 8 England's Lane, London NW3.

Frank Wheeler

Lantern light

NICE IRMA'S Floating Carpet is an exotic name for an exotic shop. Full of things Eastern, some, to my way of thinking, a little tatty, some miraculous value. There are incredibly cheap log-pattern patchwork quilts using printed Indian cottons (£12.50 for a single, £15 for a double). Then there are hand-embroidered Indian mirror-cloth cushion covers in bright colours, as well as in velvet and handloomed cottons.

One of the things I liked most were some of their brass hanging lanterns which could be particularly effective in dining-rooms or halls. They are designed to take standard lampholders which are, they promise, easy to fit. There are two sizes, 19 in which is £10 (can be posted for £1.06) and 17 in, which is £9.25 and can be posted for £1.06. The shape varies slightly but the effect is very similar.

Nice Irma's Floating Carpet is at 46, Goodge Street, London, W.1.

Frank Wheeler

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November menus

BY PHILIPPA DAVENPORT

NOW THAT we have turned back the clocks I have come to terms with the fact that winter is starting, and I plan to make the most of it graciously. Beef is excellent now, as are game birds, and scallops and mussels should be plentiful. So it seems an excellent time to enjoy some slap-up dinner party feasting. If this sounds too much like breaking the bank, may I suggest you try the second menu given below—using chicken instead of pheasant and cider instead of calvados. Choose a very dry cider (Bulmer's No. 7 is best) and reduce it considerably by fast boiling to concentrate flavour.

Suggested menus:

Quenelles de coquilles
Filet de boeuf en croûte
Steamed leeks with herb butter
Orange velvet
Cheese straws

Moules à la marinière
Faisan à la Normande
Boiled potatoes
Celery with cheese
Bavarian coffee cream

QUENELLES DE COQUILLES

Quenelles made with choux paste are good: those made with cream and egg white are a true delicacy. Pike is the traditional fish to use but removing all those nasty little bones is tedious. Scallops have exquisite flavour and are easy to prepare.

For four people you need ½ lb scallop meat. This can mean anything from 4 to 8 scallops depending on size. Ask the fishmonger to shell, clean and weigh them for you because the success of this recipe depends on using correct proportions of scallop to cream and egg white.

Check that the scallops are quite dry, cut them into small pieces and put into a liquidiser with 4 tablespoons of double cream. Blend to a smooth pink purée. Scrape the mixture into a shallow dish and season with coarse salt, pepper and a little coriander. Using a fork blend in two large (no. 2), raw, unwhisked egg whites, adding a spoonful or so at a time. Refrigerate for several hours.

Using two dessertspoons, shape the mixture into 12 fat blobs. Poach in barely simmering fish stock or salted water (if the liquid is very agitated the quenelles will disintegrate) for about 6 minutes, flipping them over with a perforated spoon halfway through cooking time. Drain on kitchen paper and serve as soon as possible with a white wine sauce or Hollandaise.

ORANGE VELVET

This is a delicately flavoured citrus bavarois. Method and ingredients are the same as for Bavarian coffee cream with two exceptions: increase sugar to 6 oz; replace the milk with a generous ½ pint freshly squeezed orange juice and a scant ½ pint water which has been simmered for 10 minutes with the zest of the oranges.

Don't throw away the blanched julienne strips of orange zest. They can be soaked in sugar syrup for several hours, drained and used to decorate the pudding.

BAVARIAN COFFEE CREAM

A bavarois (a boiled custard enriched with cream, lightened with egg white and set with gelatine) is, I think, the smoothest, richest and best of all mousse-type puddings. This coffee flavoured version is my favourite; it looks particularly handsome and tastes extra good if topped with caraque chocolate (rolls of chocolate made by scraping melted chocolate once it has set).

To serve 8, make a custard with 6 large egg yolks, ¼lb sugar and ¾ pint milk (preferably gold top) which has been flavoured with 2 generous tablespoons of instant coffee powder. Blend in a tablespoon of gelatine powder dissolved in 2 tablespoons of water, then gently stir in ¾ pint double cream. Refrigerate until quite cold and approaching setting point. How long this will take depends on your refrigerator but it is wise to check progress and to stir the mixture gently every 5 or 10 minutes. Then fold the mixture into 3 stiffly whisked egg whites, turn into a 2½ pint dish, cover and refrigerate until set firm.

APOLLO

Edited by Denys Sutton

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ARTS

Saluting St. Dylan

It is 25 years next week since the death of Dylan Thomas. That is not an anniversary the BBC is going to allow to pass unnoticed. More than anyone he annihilated the view that radio is a graveyard for a serious artist. Cyril Connolly once said: "The true function of a writer is to produce a masterpiece," adding the warning: "Every excursion into journalism, broadcasting, propaganda and writing for the films, however grandiose, will be doomed to disappointment." But for Dylan every such excursion was crowned with a lasting glory he did not live to enjoy.

His most popular work, *Under Milk Wood*, was inspired by radio and written specially for radio. A new production of it is on the way and I hope to deal with this in a future article.

RADIO

ANTHONY CURTIS

What, meanwhile, of the man himself? In spite of all the acres of anecdotage, and the recent biography by Paul Ferris, he remains an elusive character. I met him two or three times either in London or Oxford where he lived for a while in a caravan; what remains with me is his extraordinary courtesy, his willingness to enter into a discussion, and apparent diffidence when putting out his own opinion.

Douglas Cleverdon, who made Thomas write *Under Milk Wood*, and then made it the instant success it was, compiled a radio portrait of Dylan in 1963 to which many of those closest to him contributed; but that was a long time ago. A new generation of Dylan fans has grown up since then, including his own daughter who was only 10 when he died, and the moment was certainly ripe for another, more intimate memoir in the less-inhibited climate of today.

Hallam Tennyson has provided this in *The Singer in his Chains*: it goes out on Monday on Radio 4. I heard it in advance of the broadcast and would strongly recommend the programme as indispensable listening for anyone interested in Dylan. It lasts for 40 minutes, about 10 minutes of which is taken from the Cleverdon programme, and a few more from the recorded canon of the poet's readings; the remainder is all new stuff with extensive material from Caitlin, his wife, and Aironwe, his daughter. I was shown a script and was therefore able to identify the various speakers. They are not identified throughout the programme, which contains no narrator. This has its disadvantages; you might want to know who, in Hollywood, was telling that story about Dylan prodding Shelley Winters' breasts with his finger, with permission, to overcome his disbelief that it was all real. Against that, the no-narrator technique makes the whole thing much more like conversation (none of the "As George Barker also discovered . . ." business); it is single-mindedly directed to re-creating the effect Dylan had on the people he knew best. The painter William Scott describes his "lovely cherubic face" when young, and Pamela Hansford Johnson his baggy trousers and curling hair "the sort of gold of a very old threepenny bit." Then his wife takes over. "I just took it absolutely for granted," said Caitlin, "from the very beginning that he was a great writer without even looking at it, because I was never one to read poetry." It is her testimony which is the heart of this programme, clarifying a relationship about which there has been so much speculation.

If one had to find a speaking voice, modulated on radio as magically as Dylan Thomas's, it would have to be that of Gielgud. Over the past year or so, from interviews on *Kaleidoscope* and elsewhere, it has been clear that like Dylan, he is also a wonderful hypnotic, detailed describer of time past. The series of programmes in which Gielgud has been allowed to roam about at large, as it were, among his theatrical memories, which reach back almost to the beginning of this century, has been the most compulsive listening of the past few weeks. I hope one day it may all be available on an LP.

Another theatrical treat was the opportunity to hear one of the several original plays written by Puccini's librettist, Giuseppe Giacosa. This was *Sorrows of Love* (Radio 4, October 23) translated by Henry Reed and produced by John Tydeman. It turned out to be a tightly welded drama of affluent provincial life in nineteenth century Italy with conventions of decorum gradually cracking under the strain of passion and debt. The wife who is trapped in the middle of all this might in other circumstances have become a great role for a soprano. Here it was spoken with devastating cool by Eileen Atkins. Giacosa's plays were performed in his own time by both Duse and Bernhardt. Now perhaps we shall hear of them more on radio.

Madam Butterfly at Cardiff

The new Welsh National Opera *Madam Butterfly*, first shown earlier this week at the New Theatre, Cardiff, is the most important Puccini production in Britain for many years. It is, literally, a revelation—of music from the original version of the opera, cut by the composer after the disastrous 1904 La Scala première, and here returned to the opera in a staging by Joachim Herz, producer from the Berlin Komische Oper; and, in consequence, a revelation of a *Madam Butterfly* significantly different from the work that has become one of the most popular of all operas.

At least a little of the complicated tale of the opera's various transformations must be told here, albeit in crudely abridged form, if only in explanation of the differences between the Welsh *Butterfly* and the one one we normally hear and see. There are three milestones on the *Butterfly* route: the Milan original score of February, 1904,

OPERA

MAX LOPPERT

some 635 or so bars longer than the familiar version; the Brescia version of May, 1904 (for this production, Puccini set about making his first major revisions, recasting the two-act opera into three acts, making cuts and alterations in the long first act, and giving the hero the exit aria "Addio, fiorito asil" to counterbalance the shabby figure Pinkerton cuts at the end of the original opera); and the 1906 Opéra-Comique version—for the first Paris performances, and under pressure of the theatre director Albert Carré, Puccini cut still further, to mitigate the harshnesses still apparent in the story. There is evidence that for a 1917 Milan revival Puccini restored some of the original music; but in general, it was in its Paris shape that the opera achieved its wide currency.

The Welsh National text of the opera (based on that of the 1977 Komische Oper staging described on this page by Elizabeth Forbes) is not the *Urtext*. 435 bars of music have been restored; the remainder of Puccini's cuts have been adhered to by Herz as theatrical and musical improvements. One day we must hear the complete Milan *Butterfly*: perhaps the BBC will explore the Ur-*Butterfly* in the tradition of its concert and studio performances of the first Verdi *Macbeth* and *Boccanegra*. What we heard at Cardiff was sufficient to support at least part of Herz's underlying thesis in mounting the opera anew—that the original *Butterfly* was a strikingly novel conception, at once an operatic frieze (the discursive style and elaborate acquisition of narrative detail in the original first act look directly forward to *La fanciulla del West* and *Turandot*) and a powerful study of innocence corrupted by Yankee cynicism; and that in reducing the work to more acceptable proportions, Puccini drew much of its innovative sting.

Consideration of the effect of all the "new" passages, some no more than a few bars in length, some substantial, requires more space than is available here. In brief: the first act details far more specifically the nature and the character of Pinkerton's racial opportunism; the wedding celebrations are far more expansively depicted (all the relatives more sharply outlined); and Butterfly herself gains an even fuller portrayal — in a significant and very beautiful section of recitative interrupting the love duet (it comes just before her "Adesso voi"), she relates her first, dismayed sight of the "white barbarian stranger" (in Peter Hutchinson's new and mostly admirable translation). I shall miss these in any future "ordinary" *Butterfly*: they, and the touching recall of an earlier love-music theme in the Flower Duet, add significantly to our understanding of the dramatic issues at stake.

By contrast, the penultimate and final scenes strike me as less satisfactory than in their later, more compressed shape. Pinkerton's original exit, mumbling excuses and making a hangdog departure, is as ineffective as "Addio, fiorito asil" is lyrically artful and dramatically disingenuous; and the extra phrases for Butterfly before "Con onor muore" seem to put a brake on the gathering of the final climax. Altogether, though, it is a performance to encourage, in an operatic world sated with Puccini performance, new understanding of what constitutes his peculiar and powerful operatic genius.

The Welsh National production is worthy of the event. Indeed, it is one that nobody with access to the theatres on the company's touring circuit (in Oxford, Liverpool and Birmingham) should miss; for it is fresh, dramatically needle-sharp, and musically of unusual distinction. The close focus of Herz's directing methods wins pointed characterisation and tightly meshed ensemble playing at all levels. There is a price to pay for his very decisive vision of the opera: the Americans become even more unlikeable in his production than the first form of the opera requires—Pinkerton is a gross, camera-carrying Ugly American, Sharpless his unctuous accomplice, and Kate Pinkerton, with much more to do, a bossy New England matron. There are also outbursts of Teutonic literal-mindedness and didacticism, of which the projection on a screen of Pinkerton's letter at the start of Act 2 is the most notable example, that tend to nudge points home with a bony puritan elbow. But the pace is sustained with keen insight, and the sets and costumes of Reinhart Zimmerman and Eleonore Kleiber are beautifully delicate, a happy renewal of *Butterfly* tradition.

And in Magdalena Falewicz, a Polish soprano from the Komisce Oper, the company introduces us to a new star. Comparisons with Los Angeles were heard more than once during the interval. The velvet pile of the voice, the sheen on certain notes (a wonderful purity in the difficult area around E and F), the womanly radiance of legato line are all points of similarity, though perhaps the tone colour of the Spanish soprano was more uniquely golden; to these qualities Miss Falewicz joins exquisite tenderness as an actress. (Some high notes thinned out; perhaps that was the result of singing in English for the first time—the enunciation is already good, and will no doubt improve with experience.)

John Treleaven is still a somewhat callow actor, but his Pinkerton had at times (not to shirk further comparisons) the vocal ease and pointedness of an English Alfredo Kraus. In a large cast, Phyllis Cannan's quicksilver Suzuki, Henry Newman's warm-voiced Sharpless, and John Harris' Goro deserve special mention. The conductor, Guido Ajmone-Marsan, sets the seal of excellence on the performance — his accompaniments are warmly lyrical, his appreciation of the music unstaled by routine.

Harry Newman, John Harris and John Treleaven.

Collegium Musicum

Rossini's *Petite Messe Solennelle* resembles the Holy Roman Empire in that its title is laughably inapposite: neither small (it comfortable filled Thursday's concert at St. John's, Smith Square) nor precisely a Mass (it was written for domestic use, playing fast and loose with the liturgical text), and certainly not in the least solemn. The 71-year-old composer was fully aware of the work's joviality, and the title may also be a joke; in his dedication to the Almighty he confessed "I was born for *opera buffa*, well Thou knowest!"

MUSIC

NICHOLAS KENYON

And so he was. Much of the Mass is traditionally based: the dissonant opening goes back to Michael Haydn and Mozart, the fugues all occur in the "right" places—but Rossini underlays them all with oom-cha-cha cliches in the piano accompaniment which are purest whimsy. But he could well have argued that his mixture of sacred and profane is no more incongruous than in many 18th century N[...]politan Masses by Hasse and [...] contemporaries.

Laszlo Heltay has [...] recorded the work (on Argo Z[...] 893-4), and on Thursday c[...]ducted a smiling, good-humou[...] performance by his Collegi[...] Musicum of London. A li[...] more Italianate fervour wo[...] not have come amiss in [...] choral singing, but that was p[...]vided by Lynda Russell in [...] unliturgically dramatic int[...]polation "O salutaris," and t[...] lesser extent by Cather[...] Denley, Richard Morton [...] Stephen Roberts in their ta[...]fully restrained solo contri[...]tions.

The original version for [...] Countess Pillet-Will was u[...] with piano and harmoni[...] accompaniment—which soun[...] slightly under-powered in [...] John's, though John Bi[...] wheezed aimiably through [...] *Preludio religioso*, while Sy[...] Holford sustained the demand[...] piano part with a rare mix[...] of wit and sensitivity. T[...] climaxes should have be[...] bolder, but the most delic[...] moments (especially the lo[...] "Cum sancto spiritu" fug[...] had their full measure of cha[...] Not a work to hear every we[...] however.

THEATRES THIS WEEK . . . AND NEXT

HER MAJESTY'S—*Bar Mitzvah Boy*. Enjoyable new musical from an unusually intelligent book. Reviewed Wednesday/Thursday.

ROUND HOUSE DOWNSTAIRS—*Jesse and the Bandit Queen*. The love story of Jesse James and Belle Starr made pretty dull. Reviewed Wednesday.

CHURCHILL, Bromley — *The Beaux' Stratagem*. Slightly lack-lustre production of a very lustrous play. Reviewed Wednesday/Thursday.

DUKE OF YORK'S.—*Clouds*. Sophisticated comedy by Michael Frayn, with Tom Courtenay and Felicity Kendal. Reviewed Thursday/Friday.

THEATRE ROYAL, Stratford East—*The Football Apprentices*. Semi-documentary piece about boy pros, well worth a visit. Reviewed Thursday/Friday.

COTTESLOE — *The World Turned Upside Down*. Another semi-documentary, about the Levellers, Diggers and Ranters in 1659, splendidly play[...] Reviewed Friday.

OVAL HOUSE—*The Pe[...] Show*. Billie Holiday reincar[...]ted in stirring fringe gr[...] performance. Closes Sund[...] reviewed Friday.

Two notable transfers to be[...] with, *Bedroom Farce*, by A[...] Ayckbourne from the Lyttel[...] to the Prince of Wales on Tu[...]day, and *Gloo Joo* from Ham[...]stead to the Criterion on Fri[...] Also on Tuesday, the H[...] Truck's new show *The M[...] Garbo* at the King's Head. [...] Wednesday, Tom Stoppa[...] *Night and Day* opens at [...] Phoenix and *D.H.L.*, a biograp[...]cal piece about Lawrence, at [...] New End in Hampstead. Anoth[...] new musical is presented [...] enormous expense at the Adel[...] on Thursday, *Beyond the Ra[...]bow*; while an old musical beg[...] a tour, also at considerable [...]pense, at Leicester at the sa[...] time—*My Fair Lady*.

Winchester Appeal

A campaign to raise £515,000 to save and restore the Theatre Royal, Winchester, has been launched. Although many theatres are appealing for funds few can have the distinguished backers that have rallied to this particular cause. At the opening function at the Savoy Hotel, L[...] Goodman, Lord Denning, Pe[...] Ashcroft, Anthony Quayle [...] the chairman of the appeal co[...]mittee, Joselyn Stevens, [...] spoke eloquently. The pat[...] contain most of the great na[...] of the British theatre.

TV/Radio

BBC 1

† Indicates programme in black and white

9.10 am Take Another Look.
9.30 Multi-Coloured Swap Shop.
12.13 pm Weather.
12.15 Grandstand: Football Focus (12.20); Boxing (12.45) Commonwealth Bantamweight Title Fight; Racing from Haydock Park (1.05, 1.35, 2.03); Champion Jockey (1.25); Netball (1.55, 4.15) England v Australia; The Irish Character (2.25) A Rugby Union Preview; Rugby Union (2.33) Ireland v New Zealand; 4.40 Final Score.
5.15 The Pink Panther Show
5.35 News
5.45 Sport. Regional News
5.50 The Basil Brush Show
6.20 Dr. Who
6.45 Larry Grayson's Generation Game
7.40 All Creatures Great and Small
8.30 Little and Large
9.00 Starsky and Hutch
9.50 News
10.00 Match of the Day
11.00 Parkinson

All Regions as BBC-1 except at the following times:

Wales — 8.46 am Take Another Look 9.10-9.30 Wir I Chi. 5.45-5.50 pm Sport, News for Wales. 12.00 News and Weather for Wales.

Scotland — 4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 10.00 Sportscene. 10.30-11.00 Sing Along With Sunshine. 12.00 News and Weather for Scotland.

Northern Ireland — 5.00-5.15 pm Scoreboard 5.45-5.50 Northern Ireland News. 12.00 News and Weather for Northern Ireland.

BBC 2

†2.05 pm Saturday Cinema: "Wee Willie Winkie" starring Shirley Temple
3.40 Horizon: The Beersheva Experiment
4.30 Tennis: Great Britain v USA: The Carnation Wightman Cup
6.20 The Old Grey Whistle Test
7.00 News and Sport
7.15 My Music
7.40 In Performance: Janet Baker in "Dido and Aeneas," opera by Purcell (simultaneous stereo broadcast with Radio 3)
8.45 On The Record
9.15 Bonfire Night at Lewes
9.45 Francois Truffaut Season: "The Green Room" starring Francois Truffaut
11.15 News on 2
11.20 Tennis (Wightman Cup highlights)
†11.35 Midnight Movie: "We Dive at Dawn" starring John Mills and Eric Portman

LONDON

8.50 am The Saturday Banana with Bill Oddie, part 1. 9.00 Sesame Street. 9.45 The Saturday Banana, part 2. 10.15 The Monkees. 10.45 The Saturday Banana, part 3. 11.20 *Tarzan*.
12.30 pm World of Sport: 12.35 Headline; 1.15 News from ITN; 1.20 The ITV Seven — 1.30, 2.00, 2.30 and 3.00 from Sandown; 1.45, 2.15 and 2.45 from Newmarket; 3.10 International Sports Special — Snooker. Daily Mirror's Champion of Champions Tournament; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.50 News from ITN
5.15 Cartoon Time
5.30 Happy Days
6.00 Mind Your Language
6.30 The Incredible Hulk
7.25 Bruce Forsyth's Big Night
9.15 The Professionals
10.15 News from ITN
10.30 Twist in the Tale
11.30 Saturday Night People
12.15 am Another Bouquet
1.15 Close: Painting by Munch, music by Bartok

All IBA Regions as London except at the following times:

ANGLIA

9.00 am The Bubbles. 9.05 Cartoon Time. 9.20 The Next Week Show. 5.15 pm How The West Was Won. 6.55 Mind Your Language. 10.30 Filmharmonic '78. 12.15 am At The End Of The Day.

ATV

9.25 am Play Guitar II. 9.35 Make It Count. 10.05 The Lost Islands. 10.30 Tiswas. 5.15 pm Spiderman. 5.30 The Bionic Woman. 6.25 Doctor On The Go. 6.55 Mind Your Language. 10.30 Filmharmonic '78. †11.30 Saturday Cinema: "House Of The Damned," starring Ronald Foster. 12.35 am Police Surgeon.

BORDER

5.15 pm How The West Was Won. 6.55 Mind Your Language. 10.30 Filmharmonic '78. 11.30 Late Film: "The Terronauts," starring Simon Oates and Zena Marshall.

CHANNEL

12.18 pm Puffin's Platiice. 5.15 Cartoon-time. 5.30 The Life and Times of Grizzly Adams. 6.30 Happy Days. 7.00 Cooper—Just Like That. 10.30 Filmharmonic '78. 11.30 Space 1999.

GRAMPIAN

9.00 am Scene On Saturday, including Birthday Greetings and The Secret Lives of Waldo Kitty. 9.30 Sesame Street. 10.30 The Beachcombers. 11.00 Lassie. 11.30 Joe 90. 12.00 The Monkees. 5.15 pm How The West Was Won, followed by Area Weather Forecast, Highland League and Shinty Results. 6.55 Mind Your Language. 12.15 am Reflections.

GRANADA

9.30 am Make It Count. 10.00 Sesame Street. †11.00 Saturday Matinee: George Sanders in "Lancer Spy." 5.15 pm How The West Was Won. 6.55 Mind Your Language. 10.30 An Audience With Jasper Carrott. 11.00 Filmharmonic '78. 12.00 The Late Film: "Prudence And The Pill."

HTV

9.00 am Doctor. 9.30 Ten On Saturday. 9.45 Lassie. 10.15 Batman (Part 1). 10.30 Tiswas. 11.15 Batman (Part 2). 11.30 Pop Spot. 11.35 Ten On Saturday. 11.40 Star Maidens. 12.10 pm Popeye. 12.20 Ten On Saturday. 5.15 How The West Was Won. 6.55 Mind Your Language. 11.30 Barnaby Jones.

HTV Cymru/Wales—As HTV General Service except: 6.55-7.25 pm Sion a Sian.

SCOTTISH

9.15 am Adventures in Rainbow Country. 11.30 The Bionic Woman. 5.15 pm How The West Was Won. 6.55 Mind Your Language. 10.30 Filmharmonic '78. 11.30 Late Call. 11.35 Streets Of San Francisco.

SOUTHERN

9.00 am Tarzan. 11.30 Logan's Run. 12.27 pm Regional Weather Forecast. 5.15 How The West Was Won. 6.55 Mind Your Language. 10.30 Filmharmonic '78. 12.15 am Southern News Extra.

TYNE TEES

9.00 am Lyn's Look-In. 9.05 The Six Million Dollar Man. 10.00 The Gene Machine. 10.30 Lyn's Look-In. †10.45 Saturday Morning Film: "Above Us The Waves," starring John Mills and John Gregson. 12.15 pm Lyn's Look-In. 5.15 How The West Was Won. 6.55 Mind Your Language. 10.30 Filmharmonic '78. 11.30 Barnaby Jones. 12.30 am Epilogue.

ULSTER

10.00 am Saturday Morning Movie: "The Lone Ranger." 11.30 Sesame Street. 5.00 pm Sports Results. 5.15 How The West Was Won. 6.55 Mind Your Language. 10.30 Filmharmonic.

WESTWARD

9.05 am Lucan. 9.50 Untamed World. 10.20 Saturday Morning Picture Show. "The Crimson Pirate," starring Burt Lancaster. 11.55 Look And See. 12.00 The Rolf Harris Show. 12.25 pm Gus Honeybun's Birthdays. 5.15 Cartoon Time. 5.30 The Life And Times Of Grizzly Adams. 6.30 Happy Days. 7.00 Cooper—Just Like That. 10.30 Filmharmonic '78. 11.30 Space 1999. 12.25 am Faith For Life.

YORKSHIRE

9.00 am The Amazing Chan And The Chan Clan. 9.20 Space Ghost And Dino Boy. 10.15 The Paper Lads. 11.30 Six Million Dollar Man. 5.15 pm How The West Was Won. 6.55 Mind Your Language. 10.30 Filmharmonic '78. 11.30 Rafferty.

RADIO 1 — 247m

(S) Stereophonic Broadcast
‡ Medium Wave

5.00 am As Radio 2. 8.06 Ed Stewart with Junior Choice (S). 10.00 Peter Powell. 1.31 pm Rock On (S). 2.30 Paul Gambaccini (S). 5.31 It's Rock 'N' Roll (S). 6.30 In Concert (S). 7.30-2.02 am As Radio 2.

RADIO 2 — 1,500m and VHF

5.00 am News Summary. 5.02 Tom Edwards (S) including 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Tony Brandon (S). 12.02 pm Two's Best (S). 1.02 The News Huddlines with Roy Hudd (S). 1.30-5.55 Sport On 2: Football League Special (1.30, 2.35, 2.45, 3.45, 4.42); Racing Special (1.30, 1.45, 2.00 and classified check at 4.30); Tennis Special (1.30, 2.45, 4.50) Carnation Wightman Cup; Rugby (1.30, 2.35, 2.45, 4.50) Ireland v. New Zealand; Cricket (1.20, 2.00, 2.35) England v. South Australia; 5.00 Sports Report: Classified Football checks at 5.00 and 5.45; rugby round-up 5.25, 6.03 Europe '78. 7.02 Beat The Record. 7.30 Radio 2 Top Tunes (S). 8.15 Bobby Moore plays the guitar (S). 8.30 The Peter Coe Big Band in Band Parade (S). 9.30 Saturday Night With The BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Ray Moore with The Late Show (S), including 12.00 News. 2.00-2.02 am News Summary.

RADIO 3 — 464m, Stereo & VHF

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review including Building a Library (S). 10.15 Stereo Release of music by Haydn (S). 11.25 Munich Philharmonic Orchestra concert, part 1: Falla, Bartok (S). 12.15 pm Interval Reading. 12.20 Concert, part 2: Mussorgsky. 1.00 News. 1.05 Mozart and Reger piano recital (S). 2.05 Man Of Action: H. Montgomery Hyde chooses records (S). 3.20 Music For The Dance (S). 4.15 Music For Organ (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Russian Piano Music (S). 7.10 The Judicial Campaign: An American Mode of Politics (talk by J. R. Pole). 7.40 "Dido And Aeneas," (simultaneous with BBC-2 television), opera in three Acts by Purcell (S). 8.45 The Garden in November (talk by Valerie Finnis). 9.05 The Art Of The Arranger (S). 10.05 Functional Analysis by Hans Keller: Mozart's String Quintet, in G minor (S). 10.55 Sounds Interesting (S). 11.45 News. 11.50-11.55 Tonight's Schubert Song (S).

RADIO 4 — 434m, 330m, 285m and VHF

6.30 am News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Yesterday in Parliament. 9.00 News. 9.05 International Assignment. 9.30 The Week In Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick Of The Week (S). 11.20 Time For Verse. 11.30 Wildlife. 11.55 Spiegel On Saturday with Fritz Spiegel. 12.00 News. 12.02 pm A Bar For Nothing with Johnny Morris (S). 12.27 The Jason Explanation Of Taboos (S). 12.55 Weather; programme news. 1.00 News. 1.15 Any Questions? 2.00 Bookshelf. 2.30 Saturday-Afternoon Theatre. 3.30 Does He Take Sugar? 4.00 . . . That Most Despicable Race. 4.45 Enquire Within. 5.00 Kaleidoscope Encore. 5.30 Week Ending (S). 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop The Week With Robert Robinson. 7.30 These You Have Loved (S). 8.30 Saturday-Night Theatre. 9.58 Weather. 10.00 News. 10.15 A Word In Edgeways. 11.00 Lighten Our Darkness. 11.15 News. 11.33 The Unforgettables (S).

BBC Radio London — 206m and 94.9 VHF

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 Saturday Scene. 10.30 Sportscene. 11.30 The Robbie Vincent Saturday Show. 2.00 pm Bob Powel with London Country. 4.30 Marjorie Bilbow with Close Up. 5.00 Guideline. 6.30 Close: As Radio 2.

CHESS SOLUTIONS

Solution to Position No. 240

(b). The game ended 1 . . . R-QR1?; 2 R-KR1, B-B2 ch; 3 K-K3, B-N3 ch; 4 K-Q2, Resigns (B-R4 ch; 5 K-Q1 and Black is out of reasonable checks). If the rook had been at QN1 instead of QR1, White could not have played this line because of 5 . . . R-N8 mate, so would have had to play 4 K-B4 with a draw by perpetual check.

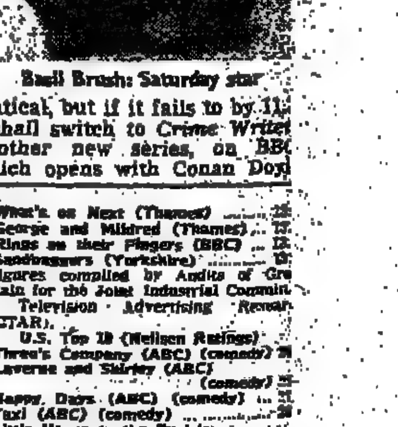
Solution to Problem No. 240

1 R-B3 (threat 2 Q-R8), BxR; 2 Q-N5. Traps are 1 B-Q3 (or 1 B-QB2)? Q-R4! or 1R-Q4? QxP! or 1 R-B2? (or 1 R-Q3) Q-R2!

WEEKEND CHOICE

SATURDAY: Munster having already beaten the All Blacks, it will be worse than ironic if Ireland fail to, and since the BBC's best sports commentator, Bill McLaren, is covering the match BBC1 is a must at 2.30. But if you have any children around be prepared for the set to stay on through *The Pink Panther* and the first of a new series of the irrepressible *Basil Brush*. At 8.45 on BBC2 Michael Charlton and two guest interviewers hold the first in a regular series of "Press conferences" with national or international figures *On The Record*.

SUNDAY: *Lillie* continues to entertain, and at 10.00 there is a new series called *Cleo* with the talented Mis Laine so ITV seems to have the most promising evening. Whether *The Question of Violence on Television* can really tell us anything new is problematical, but if it fails to by 11[...] I shall switch to *Crime Writer[s]*, another new series, on BBC[...] which opens with Conan Doy[le][...]



Basil Brush: Saturday star

TV RATINGS (w/e Oct. 29)

UK Top 20 (Homes viewing m)

1 Coronation Street (Mon.) (Gran.) 18.90
2 Larry Grayson (BBC) 17.20
3 Robin's Nest (Thames) 16.50
4 All Creatures (BBC) 16.05
5 This Is Your Life (Thames) 15.90
6 Sweeney (Thames) 14.85
7 Coronation Street (Wed.) (Gran.) 14.65
8 Crossroads (Wed.) (ATV) 14.35
9 Crossroads (Thurs.) (ATV) 14.05
10 Bernie (Thames) 13.85
11 Sale of the Century (Anglia) 13.90
12 Crossroads (Tues.) (ATV) 13.90
13 Crossroads (Mon.) (ATV) 13.65
14 Little and Large (BBC) 13.55
15 Mixed Blessings (LWT) 13.50
16 Fantasy Island (ITV) 13.45
17 What's on Next (Thames) [illegible]
18 George and Mildred (Thames) [illegible]
19 Rings on their Fingers (BBC) [illegible]
20 Sandbaggers (Yorkshire) [illegible]

Figures compiled by Audits of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. Top 10 (Nielsen Ratings)

1 Three's Company (ABC) (comedy) [illegible]
2 Laverne and Shirley (ABC) (comedy) [illegible]
3 Happy Days (ABC) (comedy) [illegible]
4 Taxi (ABC) (comedy) [illegible]
5 Little House on the Prairie (NBC) (drama) [illegible]
6 Sixty Minutes (CBS) (news) [illegible]
7 Grass Is Always Greener (CBC) (film) [illegible]
8 Football (ABC) [illegible]
9 Battlestar Galactica (ABC) (sci-fi) [illegible]
10 MASH (CBS) (comedy) [illegible]

A Nielsen rating is not a numerical total.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the Box Office.

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Ton't. & Tue. 7.00 Don Carlos (final [...]

[...]

THEATRES

AMBASSADORS. CC. 01-836 1171. Evgs. 8.00. Tues. 2.45. Sat. 5.00 and 8.00. JAMES BOLAM "A superb performance," F.T. GERALD FLOOD "IN A NEW THRILLER "WHO KILLED AGATHA CHRISTIE . . . ?" "WILL RUN AND RUN," Guardian

APOLLO. CC. 01-437 2663. Evgs. 8.00. Mats. Thurs. 3.00. Sat. 5.00 and 8.00. PAUL DANEMAN, LANA MORRIS, DENNIS RAMSDEN, CARMEL McSHARRY [...]

DUCHESS. 836 8243. Mon. to Thurs. Evenings 8.00. Fri., Sat. 6.15 and 9.00. OH! CALCUTTA! "The nudity is stunning." Daily Mail 9th Sensational Year.

DUKE OF YORK'S. CC. 01-836 5122. Evgs. 8 pm. Fri. & Sat. 5.30 & 8.30. TOM COURTENAY FELICITY KENDAL CLOUDS "MICHAEL FRAYN'S FUNNIEST PLAY." "CATCH IT QUICK WHILE IT HAS THE DEW UPON IT." D. Tel. "TOTAL DELIGHT." E. News. "SUPERB." Fin. [...]

LYRIC THEATRE. CC. 01-437 3686. Evs. 8.00. Thurs. 3.00. Sat. 5.00. 8.30. JOAN PLOWRIGHT FRANK FINLAY FILUMENA by Eduardo de Filippo. DIRECTED by FRANCO ZEFFERELLI. "TOTAL TRIUMPH" Ev. News. "AN EVENT TO TREASURE" D. Mir. "MAY IT FILL THE LYRIC FOR A HUNDRED YEARS" Sunday Times.

MAY FAIR. 629 3036. Evgs. 8.00. Sat. 5.30 and 8.30. Wed. Mats. 3.00. WELSH NATIONAL THEATRE CO. [...]

PALACE. CC. 01-437 6834. Mon.-Thur. 8.0. Fri. & Sat. 6.0 & 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber.

PALLADIUM. CC. 01-437 7373. Tuesday Nov. 14 for 5 days only. MARY O'HARA SWINGLE II and CHARLIE SMITHERS BOOKING NOW OPEN

PALLADIUM. CC. 01-437 7373. Opening Dec. 20 for a Season DANNY LA RUE as "Merry" Widow Twankey in ALADDIN [...]

QUEEN'S. Credit cards. 01-734 1166. Evgs. 8.00. Wed. 3.00. Sat. 5.00. 8.30. GEORGE CHAKIRIS, ROY DOTRICE, RICHARD VERNON, JAMES VILLIERS THE PASSION OF DRACULA "DAZZLING." E. Stan. "MOST SCENICALLY SPECTACULAR SHOW IN TOWN." Punch. "THEATRE AT ITS MOST MAGICAL." Times. Lit. Supp.

REGENT. CC. 01-637 9862-3. Red. Price Previews from 6th Nov. Mon.-Sat. 8.30. Mats. Fri. & Sat. 5.45. OPENS MONDAY 13 NOVEMBER LITTLE WILLIE JR'S [...]

ST. MARTIN'S. CC. 01-836 1443. Evgs. 8.00. Matinees Tues. 2.45. Sats. 5.00 and 8.00. AGATHA CHRISTIE'S THE MOUSETRAP WORLD'S LONGEST EVER RUN 26th YEAR

THEATRE UPSTAIRS. 730 2554. Mon. to Thur. 7.30. Fri. and Sat. 5.15 and 8.15. Travers Th. Prod. of THE SLAB BOYS by John Byrne.

VAUDEVILLE. 836 9988. Evgs. 8.00. AN EVENING WITH DAVE ALLEN [...]

WYNDHAM'S. 01-836 3028. CC. Bkgs. 836 1071 from 8.30 am. Mon.-Thurs. 8.00. Fri. and Sat. 5.15 and 8.30. "ENORMOUSLY RICH VERY FUNNY." Evening News. Mary O'Malley's smash-hit comedy ONCE A CATHOLIC "Supreme comedy on sex and religion." Daily Telegraph. "MAKES YOU SHAKE WITH LAUGHTER." Guardian.

[...]

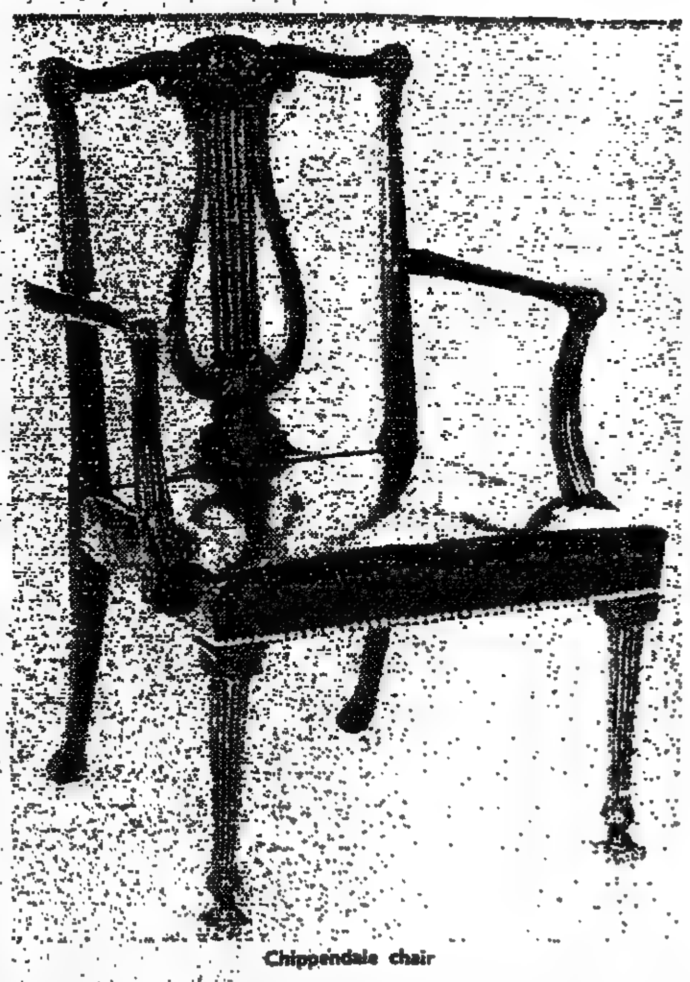
CINEMAS

[...]

COLLECTING

The energetic Mr. Chippendale

BY JANET MARSH


Chippendale chair

"THE CABINET and Upholstery Trade is at present raised to a very high pitch," declared Ince and Mayhew's *Universal System of Household Furniture* in 1762: which is a very modest way of describing the most brilliant era of English furniture making, the years between approximately 1740 and 1780. No name from this golden age has acquired a greater aura of legend than that of Thomas Chippendale, whose popular reputation as the giant of his craft ranks with that of his contemporary Josiah Wedgwood, in another field.

Whatever the popular view, though, furniture historians have made a battleground of Chippendale studies. For the late Victorians, Chippendale's enthusiasms for the Chinese and the Gothick tastes had corrupted the sturdy traditions of English design. More recent studies have endeavoured to devalue Chippendale by comparison with contemporary designers like the royal furniture maker William Vile; or have tried to discredit his personal contribution.

He did not work at the bench himself (so the complaints go)—at least after setting up his London business. Much of the work attributed to his workshops was probably farmed out to outside craftsmen and specialists; and in any event the bulk of the furniture styled "Chippendale" was made in other workshops, inspired by the influential designs of Chippendale's *Gentlemen's and Cabinet Maker's Director*, first published in 1754. All of these things are true, of course, though they do not in themselves diminish Chippendale's contribution. For a while, too, there were energetic efforts to deny Chippendale's credit even for the *Director* designs themselves: though he has now been vindicated by more recent study of original drawings in the Victoria and Albert Museum and the Metropolitan Museum, New York.

The record should finally be set right, however, by Christopher Gilbert's definitive monograph, *The Life and Work of Thomas Chippendale*, to be published next week, jointly by Studio Vista and Christies.

The book, in two volumes, is a massive and impeccably organised assembly of original research. Mr. Gilbert, who was formerly principal keeper at Temple Newsham House, Leeds, has even managed to shed some light and intelligent speculation on the hitherto mysterious early period of Chippendale's life: between his birth in 1718, as the son of a joiner in Otley, Yorkshire, to his appearance in London, 30 years later, as a cabinet maker with a substantial business. By 1754 he had transferred his workshop to large premises in fashionable St. Martin's Lane.

It is fascinating to discover the range of Chippendale's business activities. He seems to have been not only a designer, but a veritable impresario of the decorating trade, able to supply curtains and loose covers, wall hangings and feathers, as well as furniture of every description from whole libraries to tea trays and caddies. He also did a bit of import, too, it seems. In 1769 he was caught in the act of duty dodging, bringing in five dozen unfinished French chair frames undervalued at a derisory 18. He paid for that one: the goods were seized and Chippendale was compensated to the extent of his own sworn valuation, plus 10 per cent.

The problem of earlier Chippendale studies was the scarcity of pieces proven to have been supplied by his workshops. At the start of the century hardly any were known. Ten years ago 26 of Chippendale's customers had been identified. Since then Mr. Gilbert has been able to detail no less than 65 customers, in the case of 26 of these, items from their original orders are still known. Today some 700 pieces of authenticated Chippendale make can be established.

Chippendale clearly did not hobnob with his rich and aristocratic patrons on equal terms, as did Josiah Wedgwood. He appears, even at the peak of his success, to have been kicked around by them as a common tradesman. One of his principal patrons, Sir Rowland Winn of Nostell Priory, writes insultingly to him: "You may Expect to find me as great an *Enemy* as ever I ever was Your Friend." Chippendale replid in suitably servile fashion, though to be fair to Sir Rowland, Mr. Gilbert suspects that Chippendale really was neglecting his order in favour of a newer customer, the Lascelles family of Harewood.

Adding injury to insult, his grand patrons didn't even pay their bills. Sir Rowland owed him £700 at the time he was abusing him; Edwin Lascelles ran up his bill to almost £7,000; and David Garrick only paid up when threatened with the courts. The great Chippendale, not surprisingly, was always having money problems. On one occasion he had to appeal to Sir Rowland for promissory notes (one of which bounced) to keep him out of gaol. Sometimes he was hard pressed to pay his own workmen.

Yet out of such sordid transactions came the great, serene masterpiece of Chippendale craftsmanship. To mark the publication of the book, Christies is presenting a small and choice loan exhibition (at 8, King Street, November 10 and 13-16, from 9.30 am to 5 pm). Among the dozen authenticated pieces on show is a card table which came from the 50 pieces of furniture ordered *en masse* by the young 5th Earl of Dumfries in 1759. There is an exquisitely finished Pembroke games table supplied to Sir Rowland Winn, and one of a pair of painted Pembroke tables supplied to the unwilling David Garrick. From the Harewood commission, which lasted more than a decade (1767-78) there is an important marquetry pier table which has just emerged after two years of restoration and the removal of layers of Victorian paint, and is now the property of the Chippendale Society.

Bodies in the study

PAPERBACKS

ANTHONY CURTIS

WHAT BEGAN as a diversion for an idle hour has now become the topic for a BBC Television Further Education series. I refer to Crime Writing from Poe and Conan Doyle, to Sayers, Christie, Allingham, to Hammett, Chandler, Simenon and McBain, to the TV crime authors of our own time. Does any university yet support a professor of Detective Fiction? The series will make plain that the attitudes in this form of escapism tell us something important about the periods in which the various authors flourished.

The series has inspired a glossy paperback *Crime Writers* (BBC Publications £3.25) which has just appeared. Here contemporary crime writers contributing to the series go into the attitudes and the careers of their illustrious forebears in somewhat more depth, we are told, than they are able to do on the box. I have not seen any of the series yet but the book stands on its own and it is full of interesting stuff. Like all symposia it is slightly disappointed; the difficulty of finding truly original illustrations has proved insoluble: we see the familiar "mug-shots" of Simenon with his pipe, and Edgar Wallace with his cigarette-holder, varied by photographs from movies. Still, I never knew what Ross Macdonald or Nicholas Freeling looked like and now I do.

After a statement of intent from the editor H. R. F. Keating, we get down to blunt instruments with a thoughtful essay on "Holmes: The Hamlet of crime fiction" by Reginald Hill in which he sees Doyle's hero as an offshoot of fin-de-siècle decadence (though oddly he does not connect him in this with that Wildean aesthete, Raffles, invented by Holmes's brother-in-law, Hornung). Mr. Hill then tries to compress a history of popular reading into the remainder of his space and becomes somewhat indigestible in the attempt.

The general approach of the book is eclectic rather than historical, though Mike Pavett, the writer for the programmes, provides useful linking material between chapters.

These chapters include Colin Watson on the so-called Golden Age and its snobberies, its perpetration of racial stereotypes, and country houses where it was ten to one the study would sprout a corpse ("veritable abbatoirs, these studies"), P. D. James on Dorothy Sayers (a good double), Julian Symons on Dashiell Hammett (another); Maurice Richardson on Simenon ("You might say that while Maigret's professional attitude towards his customers is one of compassionate determinism, Simenon's towards his characters is one of determinist compassion." Well you might.) Then we have Troy Kennedy Martin on Dixon, Barlow, Regan and Pyle; finally, Mr. Keating himself on more recent developments between stiff-covers; rape, prison life and reconstructed Victorian crime are all popular ingredients in the 1970s.

The book has little to say about Agatha Christie on the grounds, I suppose, that far too much has been said already. But if you want to read the paperback of the book of her latest film *Death on the Nile* (1956) Fontana are prompt with the answer at 80p. The one mystery about her that has never really been solved is that of her own disappearance from her home on December 4, 1926. She passed over it in silence in her posthumously published Autobiography and yet the bare facts are as intriguing a beginning as anything she invented. She was discovered after four days with apparent loss of memory in a hotel in Harrogate where she had registered in the name of her husband's secretary with whom he was having a love-affair.

Inevitably, sooner or later, someone was going to build on that premise. It turns out to be sooner, as Kathleen Tynan comes up in *Agatha* with an ingeniously worked out recreation of events during the missing days. This, too, has been filmed with Vanessa Redgrave and Dustin Hoffman, but it is also available now in paperback (Star 75p). It is all done in the Christie manner with no frills; a firm narrative plus some complicated electrical equipment at the climax. The ambience of Harrogate in its pre-war heyday comes through and so does a portrait of an impatient long-suffering English woman who *infringed the taboos of her class* by becoming a writer.

The Chinese were on to crime fiction long before Poe invented the genre for the West. The Dutch diplomat Robert van Gulik, who died in 1967, spent part of his war service in the Pacific translating an eighteenth century Chinese detective novel about a district magistrate who lived in the seventh century AD. Gulik went on to invent a series of stories about the same character. Dover have reprinted the eighteenth century original with Gulik's introduction in *Celebrated Cases of Judge Dee* (£2.35), and two of the invented tales in *The Haunted Monastery* and *The Chinese Maze Murders* (£3.35). For crime fiction connoisseurs both these volumes are essential reading. I wish Gulik had been given a chapter in the television series book.


Peter Ustinov's version of Hercule Poirot in EMI's film version of Agatha Christie's Death on the Nile.

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ENGLISH, COLONIAL & FOREIGN COINS
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HISTORICAL MEDALS
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AGNEW

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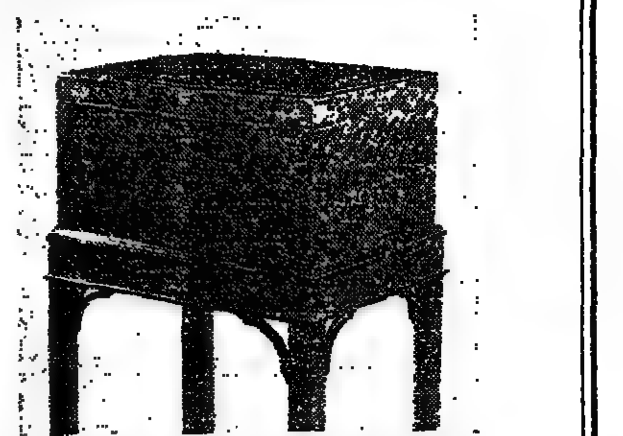
JAMES CHRISTIE 1766

EXPERIENCE AND EXPERTISE . . . 1766


Casket-on-stand by Thomas Chippendale, 23½ in. wide; 18½ in. deep; 42 in. high. Sale, Thursday, November 30.

This finely made box is probably the one referred to in Chippendale's bill to the Earl of Coventry, dated May 30, 1764, in which it is described as 'A very neat Box of fine Guadalupe wood with a very good lock & a frame . . . £9 0s 0d.'

Interestingly, Chippendale mentions Guadalupe wood (identified as a type of West Indian satinwood) only twice in his surviving bills, both occasions within two months of each other, presumably implying that he managed to obtain only a small amount of this prized timber which he then reserved for two of his more important clients, Lord Coventry and Sir Lawrence Dundas.

Chippendale's documented furniture comes on to the market rarely and what we know today about his oeuvre has been greatly enhanced by Christopher Gilbert's new book *The Life and Work of Thomas Chippendale* published by Christie's and Studio Vista. To coincide with this event Christie's are staging a small exhibition of documented furniture at 8 King Street on 10th and 13th-16th November.

For further information on this exhibition and/or sales of furniture, please contact **Hugh Roberts** at the address above.

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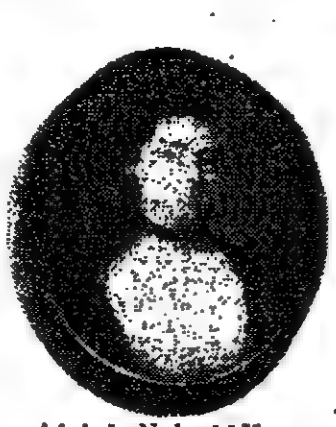
A lady, by Nathaniel Hone, 1760, sold on 26th June 1978 for £160.


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Saturday November 4 1978

The morning after

THE WEEK has brought sharp reminders of a number of unpleasant realities, and confidence, especially in financial markets, has suffered accordingly. Strikes and threats have shown that there are still all too many trade unionists ready to put their jobs at risk in the cause of militant virility. The Prime Minister, whose firm assertions of a 5 per cent norm seem to have lost all touch with reality is now reported to be ready to patch up some sort of an agreement with the TUC—which is likely, unless the TUC shows some quite unexpected control over the militants, to be worse than no agreement at all. The silly short-time working scheme is a foretaste.

However, if the Government is prepared to play to the gallery politically, its financial policies seem to remain firm, as has been shown in the British response to President Carter's dollar rescue programme. The Bank of England has not joined in the heavy support which helped the dollar to recover. As a result, money has remained tight, market interest rates have been allowed to rise sharply, and the pound remains strong; its average value has remained unchanged over the week, despite the sharp fall against the dollar. This is indeed an anti-inflationary monetary policy of the kind the Conservatives have been urging: but it leaves industry squeezed between militant wage demands and the reality of foreign competition; any anti-inflation policy must bear heavily on profits. If the Government is subsequently compelled to deflate the demand created by excessive settlements, the result will be bad for both short-term and long-term growth.

The picture

When so much misery becomes apparent in a single week, it is important to keep a sense of proportion—a sense which has been displayed in the gilts market, where the fall, especially at the long end, has been quite modest. The picture emerging is one which some forecasters have been sketching all along.

Ever since the April Budget, it has been apparent that an excessive fiscal stimulus, combined with excessive increases in nominal earnings, was bound to cause trouble. It is for that reason that the gilts market has at no stage shared the mild euphoria reflected in equities and in industrial surveys. If prices are stable now, it is because the market has been discounting future trouble—crowding out in the credit markets, and a disappointing balance of payments. What was not clear was whether the Government would allow these pressures to undermine its monetary policy. The signs so far are encouraging. As the Chancellor said at the Mansion House, an anti-inflationary monetary policy is a commitment, and it would be far more damaging in the long run to give way to the forces of inflation—including the Government's own fiscal stance—than to swallow the financial consequences, however nasty they may taste.

The lesson

The lesson which the Chancellor has learned, from an experience which left even Mr. Healey badly shaken, is that putting off the evil day simply makes the final reckoning heavier. The Carter measures to protect the dollar this week suggested that the Americans may have begun, though woefully late, to learn the same lesson: but even this is not certain.

The encouraging thing about the Carter package is that it has at last been recognised that an economy which lives consistently above its means is an economy where credit is too easy. Interest rates have been pushed up, despite the deep-seated American distaste for any regime which makes profits for bankers. What is discouraging is that at least equal stress has been given to further foreign borrowing. When an economy is overspending, official borrowing overseas may balance the books, but it tends to perpetuate the trouble.

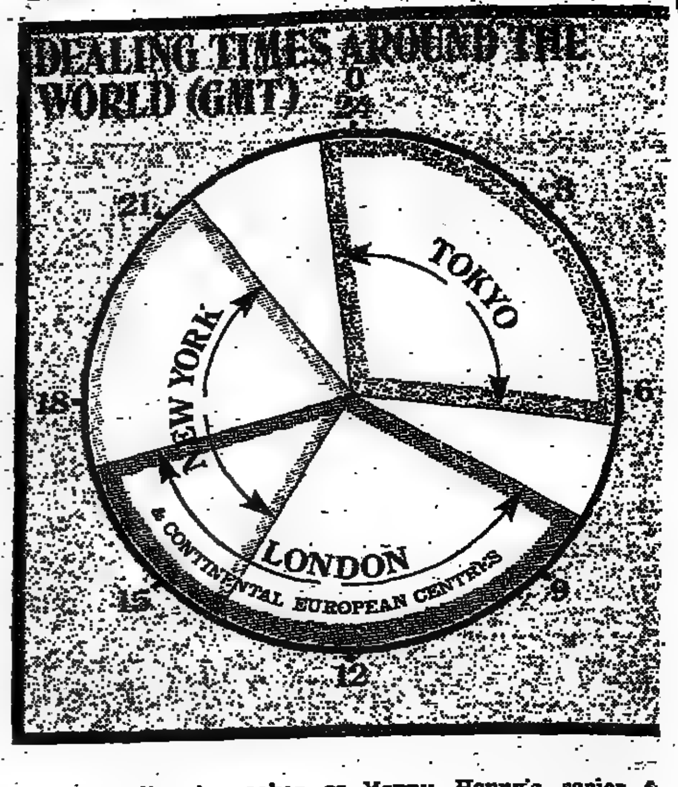
The results of the U.S. measures will only be seen over the coming months, when it will become apparent whether the rise in interest rates, quite modest so far, will in fact check credit growth and free resources for the balance of payments. A robust economy would shrug off a point or two on the cost of loans, but the U.S. economy, after four years of rapid growth, was weakening before the new measures were announced. What could have been done two years ago by gentle corrective action will now perhaps be achieved by financial pressures and the trade cycle.

The cost of the delay is higher inflation in every country which has been buying excess dollars as well as in the U.S., and greater competitive pressure in those countries such as Britain which have opted out of the dollar support game—results which can only prolong stagflation. But if reality is now being faced, in the U.S. and Britain as well as in the traditionally strong economies, we could at last be embarked on a cure.

On Wednesday, President Carter took decisive action to stem the run on the dollar. The measures included a rise in the Federal Reserve discount rate; supplementary reserve requirements for commercial banks; substantial increases in currency swap facilities; a doubling of the volume of gold sales by the U.S. Treasury; drawings on the IMF; and plans to issue foreign currency bonds.

The dollar immediately rallied sharply in the European and foreign exchange markets. Against the D-mark, for instance, it jumped by over 7 per cent. Far Eastern markets, however, were closed by the time the announcement was made and only had their first chance to respond on Thursday.

Financial Times correspondents in Tokyo, London, Frankfurt and New York spent Thursday in the foreign exchange rooms of major banks.



A day in the life of the dollar

8.30 AM, Tokyo Standard Time, 30 minutes before the GMT day begins, signals the start of foreign exchange trading. Bank of Tokyo dealers gather for the regular strategy session around the desk of Mr. Kazuo Fujii, veteran chief of forex operations at BOT headquarters. It will be the heaviest day of trading ever in Tokyo, surpassing August 27, 1971, when Japan gave up the post-war parity of 360 yen to the dollar.

By 9 am, the din of trading activity is making normal telephone conversation impossible. Within seconds of opening at 188 yen, the dollar falls to 187 yen—the third deal is at 186 yen, a level the Bank of Japan will later hold against all sellers for the five hours of official trading. The previous night, the dollar had closed at 178.80.

Virtually all the 64 telephone buttons of each trader's station are flashing simultaneously. One, marked only with a small red dot, is answered quickly. It links BOT with the central bank.

By now it is clear that Japanese exporters and trading houses are taking advantage of the dollar's recovery to cover forward export contracts. The Bank of Japan will have to absorb the excess selling of dollars to keep the first day of the U.S. defence plan from turning into a shambles. The Bank of Japan lords over the market, demanding prompt response to its unofficial guidance and continuously scrutinising each bank's trading positions. The Tokyo market is almost exclusively a dollar/yen affair and is known for its volatility: it reacts sharply to rumours and events which could influence Japanese trade.

Although there had been rumours earlier in the week about possible U.S. measures, the package has caught most banks in Japan off their guard. "Mr Carter's first clean hit on the international finance markets," smiles forex manager Fujii.

Around 11 am, phone calls to other bank trading rooms show that the central bank is taking a stand in earnest, and the dollar is holding firm at 186. Mr. Fujii remarks that dealers may have to eat lunch at their desks. He orders boxed lunches for all from a local department store. By mid session, spot turnover has reached $793m, what would be a very heavy full day's total under normal conditions. The central bank may have accounted for half.

Thoughts are turning to how European bankers will react to the frenetic activity in Tokyo. It is generally agreed that the dollar defence measures will shock some speculative elements out of the market and lead to temporary stability. But Japanese and foreign bankers refer to President Carter's prescription as "aspirin"—it will bring down the fever, but won't cure the disease.

Trading continues at the same hectic rate through the early afternoon. At 3.16 pm, everyone in the trading room ignores a five-minute physical jerks tape recording being piped through the public address system. The dollar closes the day still held at Y186. Spot volume has been a record $1.35bn, and the total market volume including forward operations has been $2.75bn.

Not good news

"It's not such good news that the central banker has had to buy $600m on the first day of a new defence plan," says one banker.

As the Far East centres close down, activity passes briefly to Bahrain before the European markets take up the running. In London, dealers have had a night to reconsider their first reactions to the package. When National Westminster traders arrive at the bank's grandly named World Money Centre a little before 8 am and find that the dollar has reached DM 1.90 in Hong Kong (against Wednesday's late DM 1.86) they suspect the recovery may have gone too far. At 8:05, the sterling dealer makes the first trade of the day.

"I've just lost dollars at $1.97" As the pound soon advances to $1.99, this has been a good rate at which to lose them.

The telexes come alive as the bank's own Far Eastern branches report on their day's activity and do small deals with the parent bank to adjust their positions. Nat West Hong Kong has just seen a very large commercial buying order for sterling; the pound now looks slightly expensive against the D-mark. London notes with interest.

By 8:30, the money brokers who handle deals between London banks (only overseas banks make contact directly by telex) are telephoning insistently. Not very much business is being done, but where it is, the dollar is edging lower.

Nat West is a market-maker in the currencies it deals in heavily, particularly in sterling. Its dealers are waiting, in the absence of commercial orders from its own clients, for business to come to them. It certainly does come; at least, the telexes are heavy with inquiries for rates and the brokers are never off the phone. The sterling dealer is now extremely busy: sterling's strength at the opening is tempting some corporate clients to buy foreign currencies with their pounds.

The dealers complain that the market is so nervous that it is hard to deal any volume of currency without moving the rates substantially. The D-mark dealer wants to buy $5m worth of marks. He has to do five separate deals. As a legacy of Wednesday's extraordinary market, the spreads quoted between buying and selling rates are still unusually high—this in itself is a dampener on business.

For the individual dealer, lost in the intricacies of the cost of forward cover and concerned mainly with the very short term, the market seems to lack an overall pattern. The noise level is rising all the time—the telex dealers yell through to the chief sterling dealer: there is a large Swiss bank on the line asking for a sterling/dollar quote. Is the rate he is showing on the bank's display screen still good? It is. The Swiss bank is not interested in dealing at that rate anyway. An oil company calls for a list of Arab currencies. The French franc dealer is trying to make sense of the Paris market, which has just re-opened after a bank holiday. The franc has moved from 3.98 to the dollar to 4.27 as a result of the package, and the French market is trying to find its feet.

Overnight level

But despite the confusion there is now a pattern to the market: the dollar has come down to around DM 1.8650, back to London's overnight level after rising in the Far East. It now looks limp. The dealers suspect the Bundesbank is buying dollars in Frankfurt to support the rate, and it looks as though the Swiss National Bank is trying to push the dollar up too.

This is, for the moment, pure surmise—the central banks are invisible unless they choose, exceptionally, to act under their own names, and except on occasions such as currency fixings where their actions are performed in public. Most of the time they act through commercial banks which carry out central bank orders in their own names. The European central banks stayed out of the market earlier in the week and let the dollar fall. Now they seem to be supporting the U.S. initiative.

Some dealers had been forecasting enormous buying orders for dollars from banks which had sold the currency short and would now have to buy it back at a loss. In fact there seems to be surprisingly little of this: the experience of the French market, where volume is limited despite Wednesday's holiday, suggests the size of short positions outstanding has been exaggerated.

The dollar is not quite holding its ground, and the market is waiting to see whether the Federal Reserve in New York follows up the package with intervention on its own account. Dealers are becoming uncertain. They say the Fed needs to show more "determination."

In Frankfurt the mood is similarly cautious. Trading during the morning has been noisy but fairly thin, and the dollar has trickled down from its strong opening level. At the moment, it looks as though the recovery may be fairly short-lived.

In some banks the U.S. measures are seen as no more than economic tinkering, which will not substantially reduce the amount of dollars in circulation. Selling pressure is seen from the oil-producing countries. According to one head dealer, "They don't seem to be particularly conscious of the price at which they are selling their dollars. They need to buy marks to pay for imports, and that is that."

Back in London at Bank of America's International Financial Centre—where the bank handles the currency funding for its international branch network—officials are cautiously optimistic. "Many people think the dollar's turned."

The market is quieter now—it is past 11 am and banks have straightened out their positions. The mark is steady at 1.8650 to the dollar, the Swiss franc is holding around 1.60. Sterling has settled down, although forward sterling is weaker, as the market is anticipating higher interest rates in London and Euro-sterling rates are already rising.

In the dealing room, however, things seem less straightforward. One dealer thinks the measures will stick. He expects borrowing of the "strong" currencies by speculative dealers who will then sell them spot for dollars.

But one of his colleagues is gloomy. The measures are largely cosmetic, simply amplifications of earlier half-hearted attempts to plaster over the currency's problems. Foreign central banks have already had to give heavy support to the dollar, evidence that the market has not been deeply impressed. The dollar is again slipping: Wednesday's violent mark-up will not hold.

At lunchtime Bundesbank reserve figures show the German central bank spent DM 3bn on foreign currency in a fortnight. Dealers who only suspected Bundesbank intervention in the morning are prepared to be convinced that the Bundesbank has again been very active today.

Orders from New York

At 2 pm London time buying orders start emerging from New York for dollars against D-marks, Swiss francs, sterling. It looks as though the Federal Reserve is acting through commercial banks to support the dollar. The Nat West dealing room is now furiously active—heavy trading in forward sterling, following Barclays' raising of its base rate, is compounded by intense activity in other currencies. The D-mark weakens 100 points to 1.8750 per dollar.

At the same moment, traders in Manufacturers Hanover Trust's foreign exchange room in New York are also detecting signs of intervention by the Fed. The D-mark dealer feels selling resistance at DM 1.87 to the dollar, and surmises that the Fed is trying to push the dollar above this level.

Dealers here look shell shocked after Wednesday's explosive activity. In some banks they have been working on a shift system through most of the night. "It was the day of the quick and the dead, and if you weren't quick you were dead," quips Jim Drury, Manny Hanny's senior f[...] trader. Reports of the Ban[...] Japan's intervention is one [...]ject of conversation.

Drury's view is that "The [...]ket is going to be very caut[...] for a while, until it beco[...] convinced that the U.S. is tr[...] to make a more fundame[...] attack on its problems. Wi[...] the next couple of weeks, [...] market may even test [...] 'forceful' intervention [...]mised by the authorities."

Tighter spread

It is becoming clear tha[...] contrast to Wednesday, the [...]ket is going to be much [...] orderly with two way tra[...] and a tighter spread betw[...] bid and offer prices. Pub[...]tion of the U.S. wholesale p[...] index has little impact in [...] of its confirmation of a do[...] digit inflation rate.

But there is still a sens[...] intense activity, with tra[...] constantly shouting spot p[...] and rushing to telex mach[...] to make trades with for[...] banks, some carrying nickna[...] such as Nasty Westy (no p[...] for guessing). "These [...] French banks, some of them [...] killed yesterday."

By mid-morning, the doll[...] dipping again against the [...] and Deutsche Mark, follo[...] publication of the third-qua[...] trade deficit figures. How[...] the setback is minor and [...]porary and with no tra[...] department in New York [...] to take anything but a bala[...] position, the dollar is pr[...] much unchanged as dusk [...] on Manhattan. It has bee[...] uneventful day in the New Y[...] market which, after the ev[...] of the past few weeks, is p[...]ably just what the dollar [...] a foreign exchange dea[...] nervous system needed. [...] already, the Far Eastern [...]kets are preparing for bus[...] again.

Richard C. Hanson
To[kyo]

Guy Hawtin
Frankf[urt]

Martin Taylor
Lon[don]

John Wyles
New Y[ork]

Letters to the Editor

Currencies

From Mr. S. Dixon-Fyle

Sir,—Whether all European monetary system roads lead to Paris (Samuel Brittan's Lombard, October 30) or to Bonn, and, perhaps ultimately to London, is probably important should one accept that the EMS should be essentially a "European" rather than a Franco-German animal. Lombard would seem to becloud the issue of choice by his graphic, possibly overdrawn contrast between "dirty floating" and "dirty fixing" as potential EMS adjustment mechanisms.

Clean floating, and clean fixing, like perfect competition and fully open and free markets, are, ironically, impossible to realise or sustain by "free market forces." These mechanisms, the way they would function if allowed to, and the net economic and social costs they might occasion, contradict existing patterns of trade and financial market organisation and the actual dispositions of resources, power and interests within them.

Alas, cleanliness has become a dirty word in commercial policy as it is in financial markets. "Open world trading systems" and "clean floating" are no longer synonymous with respect for normative rules of law in the market place. However, dirtiness is still distinguishable from constructive cartellisation or judicious intervention such as in exchange markets.

If I understand the logic of Lombard's thinking, would not the possibility, which he apparently commends, that "the French might try to operate EMS in the right (?) way . . . (by) stabilising the Franc against the Mark," be "dirty fixing" which he disdains? Are genuinely (?) fixed parities operative from a future base date really any "cleaner" than temporarily fixed but adjustable parities instituted now? The distinction seems somewhat contrived—our Brand versus Brand X!

Whatever form the EMS takes initially and however it evolves, to sustain it would occasion, perhaps even require, restrictive domestic and foreign trade policy adjustments, a possibly substantial measure of intervention by someone on clearly defined bases of mutual obligation and commitment. It would require in addition comprehensive co-ordination in domestic anti-inflationary policies. It is to be hoped that these actions would not only be consistent but also much "cleaner" than has become fashionable.

S. R. Dixon-Fyle.
30 rue des Bossons,
1213 Onex,
Geneva, Switzerland.

Petrol

From Mr. B. Engert

Sir,—Mr. J. K. Wilkinson (October 27) seeks to show that an increase in petrol tax of 19p per gallon would be more costly than a car licence of £50 plus present petrol tax assuming that the small mileage means under 10,000 miles a year.

What he and many others seem to ignore are the needs of the elderly and retired living in the country who used to—and would still—do a very much smaller mileage than 10,000 a year but with inflation raising their costs of living far beyond any increase in income, they have reluctantly given up their cars because they cannot finance a fixed licence of £50 a year plus the cost of insurance plus rates on a used garage. I can think of many friends and acquaintances whose needs for shopping and other minor excursions would not exceed 2,500 miles a year (some of them well below that figure) so that the last car they could afford to buy while gainfully employed would last them until compelled to give up driving because of advancing years.

The virtues of putting all the tax on fuel include: the impossibility of evading paying the petrol tax whereas one merely looks around to see a vast number of cars which dodge the £50 a year: you pay as you go in proportion broadly to the wear and tear inflicted on the roads i.e., the big car pays more petrol tax already than the small one because it is thirstier and should do because it is weightier: and it would not require one extra Customs and Excise officer to collect more petrol tax than the present figure and we could then abolish or at least substantially reduce that monumentally expensive and, as I have recently learnt at first hand unbelievably inefficient, monstrosity at Swansea with its enormous staff and an enormous computer—one or the other should suffice, but we don't need both together.

Turning to Mr. Murray's letter in the same issue, even though the present road tax system does ensure that the bulk of all vehicles on the road are both MOT tested and insured, by the same token he admits there is a minority which doesn't bother about any of these things, whose cars are likely to be the more decrepit and if they are concerned in an accident they turn out to be men of straw. It is they who have for years dodged their fair whack of tax who could not do so any more if the tax were entirely on the fuel. Surely as a solution to this problem we could have an MOT test disc on the car and equally a dated disc indicating that the car and the driver are insured.

Finally, I would emphasise that the number of drivers getting away with murder in not paying their road tax, some of whom have done it for years on end, is large. This nuisance and affront to those who do pay their car tax can be wholly wiped out by putting the entire vehicle tax on the fuel so that a car cannot be moved without having paid its due proportion of tax. To pay as you go is fair to all, with perhaps a modest fee chargeable for each change in ownership.

B. Engert.
Robinswood, Budds Lane,
Wittersham, Tenterden, Kent.

Unemployment

From Mr. A. Napier

Sir,—It would be interesting to know where Mr. H. Verney (October 23) has been, and whether as an employer or an employee, since he has just realised how high is the level of British taxation.

Perhaps I may make his point even more forcibly by taking his same figures from another point of view. It is the law of the land that, at the standard rate of tax only, no one may offer anyone else £100 worth of employment unless he pays a levy of £87.73 to the state for the privilege of so doing. This applies no matter how limited his finances or how great the other's need. Hence unemployment and inflation, and for the Government to claim to be fighting either of these is, in present circumstances, hypocrisy.

It is commonly supposed that high taxation is required to support the bureaucracy. Surely it is more likely that a large and wasteful bureaucracy is required to mop up the unemployment otherwise created by destructive ideological taxation.

Alec W. Napier.
Wrecclesham Grange,
Farnham, Surrey.

Funds

From Mr. T. Shucksmith

Sir,—Reading between the lines of Dr. Scott's letter (October 25) I cannot help feeling that if he were not an investment manager he might be a supporter of a practical application of the index fund concept for many investors.

He virtually admits that active investment management by switching does not repay expenses incurred, because he says that even moderate activity is not necessary. Further, he suggests that the investment manager cannot pick winners because he largely confines his activity to weeding out mistakes and over-valuations. He puts his stress on initial selection with mostly new money and to a lesser extent, I presume, the proceeds of weeding out. The impression he gives me is that he considers the market efficient to at least a margin represented by dealing expenses.

From a practical angle there is something to be said for weeding out failures. My impression, however, is that many failures happen quickly and unexpectedly and are a reaction to unanticipated bad news. Failures are a part of every investor's life and avoiding them is easier said than done. Every share has its price and adjusts to a new level, and it is not necessarily foolish to continue to hold a share after the price has fallen. Dr. Scott's use of the word "mistake" indicates that he recognises this.

I am not convinced by Dr. Scott's reliance on initial selection. He seems to be saying either that shares are correctly valued to within less than, say, 6 per cent of the intrinsic value, but that a good investment manager can consistently select undervalued shares even though the margin is less than 6 per cent, or alternatively that values differ substantially from intrinsic values, but that analysis is not sufficiently reliable to identify sufficiently consistently those shares undervalued by more than 6 per cent, yet sufficiently precise to make a consistent profit of that order on initial selection. The efficient market concept applied to a market where there is new money for investment would, of course, mean that the 6 per cent market tolerance would be very significantly reduced by competition between investors and managers.

Finally, Dr. Scott makes a very dangerous comparison when he suggests that trustees should have the same objectives as the directors of a company. The fiduciary duties of directors as stewards of shareholders' capital applied to the provision of goods or services as defined in a company's memorandum are very different from those of trustees holding money for the beneficiaries and acting as though the beneficiaries were persons for whom they were morally bound to provide. Shareholders advance venture capital and voluntarily accept risk. The directors should run a company in a manner acceptable to the shareholders, but they have no responsibilities for the shareholders' needs. The position of trustees and beneficiaries is generally the antithesis.

Thomas Sykes Shucksmith.
4, Roosebrune,
139 Blackborough Road,
Reigate, Surrey.

Indemnity

From Dr. J. Leahy Taylor

Sir,—Your Insurance Correspondent (Oct. 30), with reference to the Medical Defence Union and the Medical Protection Society, states that the compensation claims in 1977 cost just under £3m, one-third of which went to the lawyers involved. This statement implies a lack of understanding of the functions of organisations of this nature.

The defence societies are not concerned solely with indemnification, and their legal costs include the provision of legal advice in many countries of the world, legal representation at hospital inquiries, inquests and before professional disciplinary bodies, and there is in addition a certain amount of criminal work. The range of services provided to their members by the Medical Defence Union and the Medical Protection Society—and for that matter to members of the Medical and Dental Defence Union of Scotland — are very much wider than the provision of professional indemnity insurance so that any comparison with insurance companies providing indemnity insurance for other professions is misleading.

Dr. J. Leahy Taylor.
Medical Protection Society,
50, Hallam Street, W1.

Juggernauts

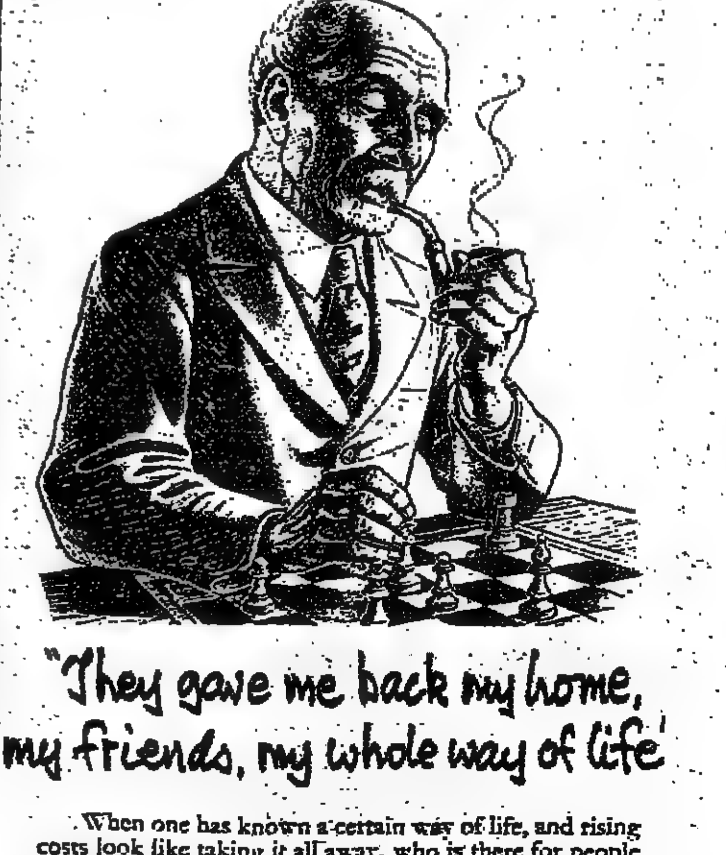
From Mr. G. Moser.

Sir,—Your Transport Correspondent (November 1) refers to the joint statement by the Road Haulage Association and Freight Transport Association which suggest that emotional arguments on lorry weights are again diverting attention from the real issue.

Unfortunately this is one of those problems where the ordinary man in his car and in the street (and perhaps he knows better than most!) realises just what perils lie for him if he is to see larger and yet larger lorry weights bearing down upon him.

Is an argument based on reasonable apprehension and anxiety emotive? If it is there are a lot of emotive people about and who can blame them.

G. E. Moser.
20 Kentwood Road,
Kendal.



"They gave me back my home, my friends, my whole way of life"

When one has known a certain way of life, and rising costs look like taking it all away, who is there for people like us to turn to?

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"Help them grow old with dignity"

مطابق للأصل

South Africa's 'James Bond' scandal

BY QUENTIN PEEL in Johannesburg


Mr. John Vorster


Judge Anton Mostert


Dr. E. M. Rhoodie

THE BIGGEST political scandal in recent South African history finally broke on Thursday from the unlikeliest of sources. Evidence of the misappropriation of large sums of public money, of "corruption in the widest sense of the word," was revealed by an Afrikaner judge who was also the former legal adviser to the staunchly pro-government Perskor newspaper group, and who was recently appointed as a one-man commission to investigate the highly-sensitive subject of exchange control violations.

Judge Anton Mostert, however, also has a reputation for an independent mind. How he came to investigate the activities of the former Department of Information and its dynamic and aggressive head, Dr. Eschel Rhoodie, has yet fully to emerge. But once he was on the trail of the Department's extraordinary clandestine operations, ranging from the financing of a supposedly independent newspaper to the purchase of luxury flats at the coast, he attacked the task with tenacity and enthusiasm.

When finally he decided, on Thursday, to publish his evidence, he did so in the face of a demand from Mr. P. W. Botha, the Prime Minister, that he should not. He even apparently referred to Mr. Botha's plea with some scorn: "Only reasons of great cogency will cause suppression or secrecy to be preferred to disclosure," he said, "I do not find such cogency in emotional appeals unsupported by valid considerations."

The sworn evidence published by Judge Mostert from his judicial commission, undoubtedly still incomplete, reveals an extraordinary tale of bungling salesmanship, contempt for public accountability and objectivity, petty rivalries and even naked corruption which goes to the heart of the entire South African Government effort to present its case to the world. It is a story perhaps best summed up by Mr. Louis Luyt, the fertiliser magnate who was used by the Department of Information to front its project to launch a pro-Government English-language newspaper: Dr. Rhoodie, he told the judge, saw himself as some sort of James Bond—"with all his mythical companies, and that sort of thing."

Newspaper

The major part of the evidence concerns the establishment of The Citizen, a rabidly Right-wing newspaper which described its own role as "fair, balanced and pro-South African." According to Mr. Luyt's statement, the first idea for the paper came from General Hendrik van den Bergh, then head of South Africa's secret service, the Bureau of State Security, in 1975. At first, however, the Information Department tried to take over South African Associated Newspapers, the liberal newspaper group which publishes, among others, the Rand Daily Mail, Cape Times and Financial Mail. For the purpose, the Department advanced Mr. Luyt R6m (£3.5m). But when the bid failed, in October, 1975—partly because of Mr. Luyt's head-on fertiliser-salesman tactics—Dr. Rhoodie simply doubled the advance to R12m, and gave the go-ahead to set up a conservative newspaper to counter the Rand Daily Mail on its own ground.

Ironically, the paper, launched in September 1976, has been the only obvious political success achieved by Dr. Rhoodie, although it has been a financial disaster. Its circulation rapidly built up to some 70,000 copies, with a white readership virtually equal to that of the Rand Daily Mail. It panders shamelessly to the conservative tastes of its readers with stories describing international conspiracies to sell the world to Marxism, Marxist infiltration of the U.S. establishment and the world's double standards towards South Africa — often apparently straight from the files of the Information Department and South African intelligence sources.

On the financial side, however, Mr. Luyt revealed in his evidence that the preliminary budget was a disastrous underestimate. It was intended that the newspaper would be financed from the interest on the Department's R12m, but this had proved inadequate. He told his Department of Information sponsors sometime in late 1977 that he could lose his entire fortune in the operation, and he was determined to sell.

Mr. Luyt finally sold his shares in The Citizen in February this year to a consortium of conservative businessmen for a "nominal" sum. He told Judge Mostert an agreement had been reached with the Information Department to repay R10.1m (R12m, less The Citizen's losses) by 1986.

The source of the most damning evidence on the whole operation, and its attempted cover-up, was Mr. Pieter Retief Van Rooyen. Mr. Van Rooyen is a lawyer with impeccable nationalist credentials. He was once a legal adviser to the South African Government at the International Court of Justice at The Hague, and most recently was the police advocate at the inquest into the death in detention of Mr. Steve Biko. He was chosen as a respectable "front man" for a private company set up by the Department of Information to carry out its secret projects of propaganda and counter-propaganda.

According to Mr. Van Rooyen's evidence, The Citizen was losing some R400,000 (£235,000) every month. But then the first major upset happened. For Mr. Luyt, on his own admission, had sunk his R12m advance into his own fertiliser company, Triomf Fertiliser Investments. The intention, he told Judge Mostert, was to earn 12.5 per cent interest there, rather than a mere 9 per cent in the bank. But when the money was needed, Triomf was suffering from both a market glut of fertiliser and a broken supply contract by the French company, Gazocean. "The R12m was lent to Louis Luyt, who sunk it, and now there are problems."

In the meantime, Mr. Luyt and Dr. Rhoodie had fallen out. "He phoned over the smallest thing," Mr. Luyt said. "He also often said things that he immediately denied . . . he talked to me as if I was his hireling."

But if the falling out between Dr. Rhoodie and Mr. Luyt, and the problems in retrieving the R12m were the biggest upsets to affect the Information department's secret operations, smaller operations and the department's methods in "laundering" its secret funds are likely to prove equally controversial.

Front company

According to Mr. Van Rooyen, finance was channelled from a Swiss company, Thesaurus, Continental Securities, to his own "front" company, Thor Communications, before being passed on to another bank account. Thesaurus, he believed, was a front company for the Bureau of State Security, used to disguise the source of funds and transfer them from one Government department to another. In this way, he said, some U.S.$5m was channelled through Thor, although he was not at the time aware of its destination.

The evidence before Judge Mostert appears to give little more than a sample of what was financed by Dr. Rhoodie's secret funds. Mr. Luyt said he was told by a senior information official not to worry about the losses of the Citizen because "they had many projects losing more in a year than it."

One destination of Thor money was to bankroll one of its three directors, film producer Mr. Andre Pieterse. He was advanced R825,000 (£485,000) for a Black film company. But when the project fell through, the money was not repaid. Instead he used it to help finance a purely commercial project, the filming of an Alistair Maclean thriller, Golden Rendezvous. Mr. Pieterse persuaded Dr. Rhoodie, according to his own evidence, to let him use the money as collateral for a loan to pay soaring production costs. In the end, he actually spent it as well. But the film was panned by the critics. Asked if he could now repay the money, he said there was a "reasonable" chance of doing so "eventually," but not immediately.

Another destination of some R256,000 (£150,000) was the purchase of six flats in a block in Cape Town, for no apparent reason, according to Mr. Van Rooyen. Thor was also used to buy a half-share in Mr. Luyt's executive jet for R1.5m (£880,000) when the Citizen needed further injection of funds.

The decision to set up the whole clandestine operation of the Information Department was taken by Dr. Connie Mulder, the former Minister of Information, "to outsmart and neutralise" the nation's enemies: "We had to use unorthodox methods because of the onslaught on us, and the people launching those onslaughts on us recognise no rules of any kind," he said. Dr. Rhoodie retired prematurely in July following the revelation of accounting irregularities by the parliamentary Auditor-General.

In the event, the whole secret strategy has proved largely counterproductive. South Africa has not won any friends who might not have been expected to support her anyway. The exposed operations of the Information Department are likely to attract far more attention for their crudeness than for their subtlety. The existence of massive secret funds, combined with unshakeable political power, has clearly encouraged an arrogant disregard for public probity.

There is still virtually no prospect of upsetting the ruling National Party, which has an overwhelming majority in Parliament. There are, however, signs of deep divisions within the party, albeit on personality rather than ideological lines. Dr. Mulder, who little more than a month ago was pipped at the post by Mr. P. W. Botha to succeed Mr. Vorster as Prime Minister, is unlikely to survive.

Perhaps the most damning evidence, in political terms, again came from Mr. Van Rooyen. He revealed that General Van Den Bergh had talked of "saving" both Mr. Vorster and Dr. Mulder when the first hints of scandal surfaced earlier in the year. The General had suggested to him that he would "drag the whole thing out until such time as it was dead," he told Judge Mostert. Mr. Vorster, who had earlier promised Mr. Van Rooyen that the whole "cat's nest" would be cleaned out, apparently accepted his advice. Indeed, it is only because of the persistence of Judge Mostert, and the lengthy investigations of the South African press, that the affair has come to light.

Mr. P. W. Botha now has the chance to embark dramatically on the "clear administration" he has promised. He must still be tempted to prevent any further damaging revelations coming to light, but the affair is too far public to clamp down completely. As for the general public, little change in attitudes is apparent. Black comment is simply: "I told you so." The comment of a loyal white reader of The Citizen was: "I don't care where the money came from; I still like the paper."

Weekend Brief

Wizard plans

THURSDAY was a terrible day for those who yearn for cheerful hotel porters who remember your name and happy chamber maids who bring hot coffee on command. Let me offer a few sample predictions for the hotel of the future offered at that day's Electronic Hotels conference: ". . . hotel cashiers may be provided with the means to scan a wide range of credit devices and from these read positive identification, for instance by photograph or by fingerprints. . . ." Or how about: "There has been increasing use of closed circuit television surveillance . . . low light and infra red cameras make surveillance even in darkness a possibility today." And then there is: "The interface between the guest and hotel will be handled more efficiently and, with access to detailed guest histories, on an apparently more personal basis."

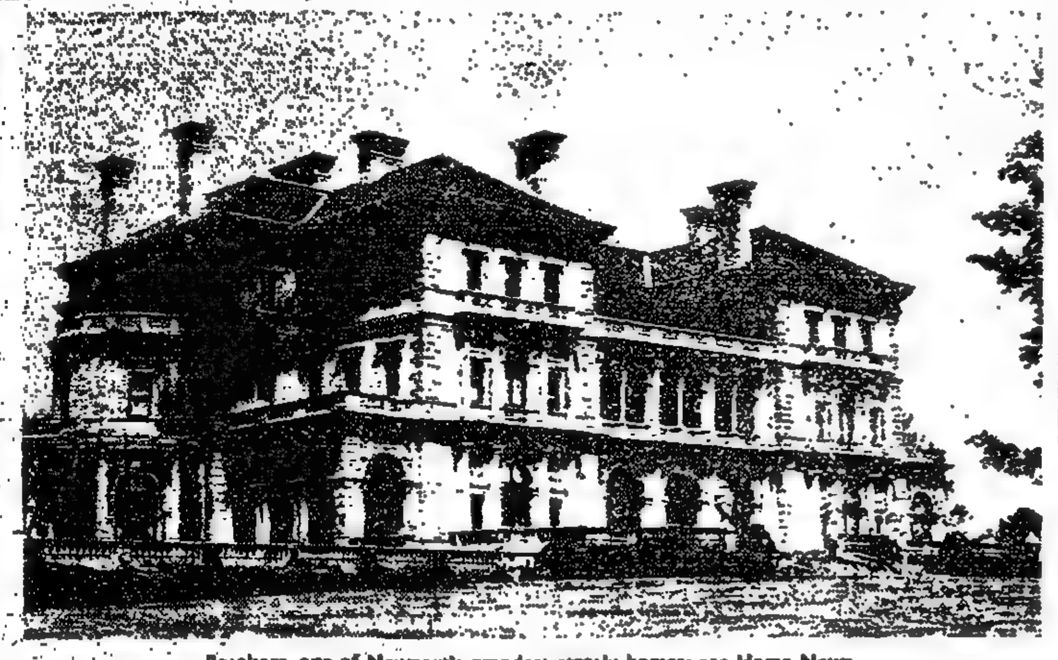
The presence of Trust Houses Forte, Grand Metropolitan Hotels and even the charming Ms. Susie Orde, of the Savoy, at the gathering where these prognostications were made, should not perhaps be taken as an indication of what next year's visitor to hotels in those groups should expect. They are more a sign of what is available to hoteliers today and what the electronics manufacturers would like to be bought.

The conference attracted a packed house of just about everybody who is anybody in the hotels business, a sign of the eagerness of the industry to switch from person power to the electronic chip. Even the BBC and the Post Office were in on the act, pointing out how how no hotel room of the future would be complete without direct audio-visual with access to their information sources.

I was particularly delighted by the visions conjured up by Mr. Reg Conway, of British Relay (Electronics). He emerged, according to your view of the whole business, as either the Dr. Who or the Darth Vadar of hotel gadgetry. According to Conway we will not be able to gain access to our hotel room of the future unless our credit cards have a sufficiently strong rating to spring the magnetic locks. The television screen in our room will carry all the messages that have been left and we will be able to print them out to get permanent records.

But most delightfully Conway promises: "There will be games of chance, of skill and intelligence: guests will be able to seek competitive games with other guests while preserving anonymity and while not leaving their own room."

Anyone for TV tennis?


Breakers, one of Newport's grandest stately homes: see Home News.

Vintage views

Those with their eyes on the more important things of life may have noticed that while the dollar has been performing oddly this week the real bargain hunters have been studying the port market. My own spy in the field, Edmund Penning-Rowsell, was quick to spot this week that both the trade and a few sharp-eyed private buyers have been moving in on the vintage port market at a time when prices are attractive. The Americans, normally quite active in the wine field, are showing some reluctance, perhaps because of the state of their currency and perhaps because the U.S. is still dominated by the "buy it and drink it" brigade.

At Christies' autumn sale good prices were reached by a few rarities — Taylor '27 went for £320 a dozen, Graham '35 for £250 and Fonseca '34 for £240.

But the post-war vintages that were available in considerable quantities did no more than maintain existing prices, and in some cases were lower than the best level a year ago. The best were Croft '45 at £250 a dozen, and Quinta do Noval at £230.

Among a wide range of the excellent, now reasonably mature, '55s prices per dozen ranged from £175 (Taylor) to £135 (Cockburn and Warre). In comparison, the less good but now very drinkable 60's went well; ranging from Taylor (£88 a dozen and Croft (£80) to Fonseca (£76) and Graham (£74).

The esteemed '63s, the best vintage since the Forties, went reasonably well with Taylor making a new high price of £100 a dozen, Graham at £88 and Cockburn at £76. The '66s range from Taylor at £66 to Dow at £56, while the '70s—now some way towards maturity—fetched between £58 (Graham) to £52 (Fonseca), less than the most recently offered vintage '75. The sale total was £65,565, with 94 per cent sold.

Flower power

In these days of Governmental efforts to cut down unemployment it is perhaps heartening to note that one organisation running into staff shortages is the British Legion poppy factory in Richmond, which is faced with the prospect of introducing automation or diluting its workforce with more able-bodied staff if it is to cope with the annual demand for 35m poppies at this time of year.

The factory, tucked away near the centre of the town, provides sheltered employment and rehabilitation for disabled ex-service people and their dependants.

The 116 employees at present range from "Old Contemptibles," with limbs lost on the Somme, to teenagers. Some have worked at the factory for over 50 years.

From 8 am to 4.30 pm eight poppies a second are made at the factory. Nearly 50m are turned out during the year to be given in return for donations before Rememberance Sunday (November 12). Apart from the 35m buttonhole poppies the remainder go to make up the 70,000 wreaths which include those laid at the Cenotaph. The aim this year is to collect £3.8m from poppy sales, £550,000 more than last year. Hardly a day goes by at the poppy factory without a visit from a party of onlookers. What they see is a clean, efficient and personalised production line.

Factory employees, 80 per cent of whom are aged over 50, earn from £44 a week for a newcomer to £60 or £70 for a skilled worker. Although not a closed shop most of the employees are members of the General and Municipal Workers Union with wages and conditions determined through the Ostrich, Fancy Feather and Artificial Flower Wages Council of Great Britain.

"It is a manufacturing industry without the cut and thrust," said Mr. Denys Simpson, factory general manager, although that does not mean it is without its commercial and industrial pressures. The factory has a printing department which produces commercial work, beauty queen sashes, political and football rosettes are also manufactured.

The main problem facing the factory at present is a labour shortage. Competition from other West London manufacturers has reduced the disabled workforce and the factory is at present between 20 and 30 men short.

Home news

ANYONE who thinks that Britain is the only place in the world to have a stately home problem should take a look at the properties up on the Colony in Newport Rhode Island. This corner of the American north east was the spot chosen by turn of the century U.S. millionaires to build their country cottages. Vast sums were spent on creations which vary in style from the classic to the mock-Tudor and in taste from the obscene to the acceptable. All of them were incredibly expensive to build—all the more surprising in that they usually have only a relatively small patch of land around them, giving the impression of a series of Hampton Courts in suburban plots.

A couple of decades ago these houses were rapidly falling into ruin. The Colony, once ruled over by the diminutive but tough Mrs. Astor, was that area of Newport into which the general public was never allowed but which to-day relies for its existence on the entrance fees that the public is prepared to pay to visit the one-time houses of the rich. Many of them now under the care of the Newport County Preservation Society and only a few remain in private hands. Even Jackie Kennedy's former home, the Bouviers' Hammersmith Farm, not actually in the Colony but not far from it, has recently passed into the hands of a private corporation which is turning it into a Mecca for the Jackie-watchers.

During the past few weeks the houses have been complemented by the beauty of the New England Fall, a time of year which must have been lost on most of the one-time residents since the houses, which sometimes cost $10m a time to build, were usually only occupied for a few weeks in high summer.

Although they are exercises in grandeur rather than taste, the houses are impressive. Often the owners saw things they liked in Europe—and "things" sometimes meant a whole ballroom—and shipped them across in their entirety. Apparently the millionaries of to-day, many of them the heirs of those who built the houses of the Colony, do not go in for such extravagances. "The jet-set to-day moves from one Hyatt to another. They take their suitcases with them not their servants," said one old retainer sadly as he took another group around the shimmering splendour of a multi-million "cottage."

ARTHUR SANDLES

Economic Diary

TO-DAY—Mr. David Owen, Foreign Secretary, at Labour Party rally, Cambridge.

MONDAY—House of Commons continues debate on Queen's speech—Home affairs. Ford Motor union leaders meet to hear results of mass meetings on pay. Confederation of British Industry annual conference opens in Brighton. Mr. Wang Chen, Chinese Vice-Premier, arrives in UK for two-week visit. Japanese car makers begin two-day talks in London with British manufacturers. EEC monetary committee of officials begin two-day talks. Wholesale price index (October provisional). Hire purchase and other instalment credit business (September). Housing starts and completions (September). Third quarter figures for slum clearance and house renovations. Building Society house prices and mortgage advances (3rd quarter). Retail sales (September final). Mobil ends subsidies to petrol stations. Revision of Port of London general import schedule comes into effect. Mr. Tom King, Tory energy spokesman, at Coal Industry Society lunch, Hyde Park Hotel, London.

TUESDAY—Commons opens two-day debate on Rhodesia. Trades Union Congress economic committee to study results of discussions with Ministers on pay and prices. UK banks' liabilities, reserve assets, reserve ratios and special deposits (mid-October). London clearing banks' monthly statement (mid-October). Mr. John Silkin, Agriculture Minister, at Bacon and Meat Manufacturers luncheon, Savoy Hotel, London. Prince Charles attends Board meeting of Blackwood Hodge.

WEDNESDAY—Statement by Mail Order Trades Association on Code of Practice.

THURSDAY—Commons continues Queen's speech debate—economic affairs. Mr. John Greenborough, CBI president, at annual dinner of Chemical Industries Association, Grosvenor House, London. Mr. Michael Edwardes, BL chairman, at Institution of Mechanical Engineers dinner, Dorchester Hotel, London. Provisional figures of vehicle production (October). Central Government financial transactions (including borrowing requirement) (October). Sample of 20 per cent of Local Authority Mortgage results for 1977.

FRIDAY—Building Societies' receipts and loans (October). Usable steel production (October).

A NEW FUND

TARGET PACIFIC

OFFER CLOSING 10-11-78

A growth area with outstanding potential

Target announces a new fund to invest in the shares of companies operating in the Far East. This fund will be suitable for investors wishing to diversify their capital to cover countries such as Japan, Australia, Hong Kong, Singapore and Malaysia.

Outstanding Investment Potential

Target believes the Far East and Pacific to be an area where great economic expansion is likely to take place over the next few years. The major countries in this area enjoy increasing productivity, relatively low rates of inflation and firm currencies. China's increasing trade with the West should benefit HONG KONG, her major port, and JAPAN who is China's closest supplier of goods and technology. The momentum of MALAYSIA'S expanding economy continues largely through her wide range of minerals and raw materials. AUSTRALIA'S vast mineral resources are again attracting renewed investor interest as the economic and political problems are being resolved. And finally, SINGAPORE, a huge trading centre, is one of the most industrious and dynamic countries in the world.

Capital Protection Through Portfolio Spread

Overall Target feels that the Pacific is an area in which investors should have an interest. There exists no easier nor more efficient way of doing so than through a unit trust like Target Pacific Fund with its inherent wide spread of investments which the individual investor of modest means could not achieve himself.

The investments will be chosen from the wide range of sound companies operating in the Pacific for their growth potential. To reduce the effect of the fluctuations in the investment currency premium, a multi-currency loan facility of US $1 million and backed by sterling deposits has been arranged.

Successful Investment Management

A specialist fund like the Pacific Fund demands specialist local knowledge which the investment managers, Dawnay, Day & Co. Limited, have wide experience in obtaining from their many world wide contacts. The performance of Target's specialist U.K. and overseas Funds over the past year is probably the best recommendation to you of Target Pacific Fund.

Target American Eagle .. 3rd in a field of 16 American funds
Target Investment Trust ... top performer in this sector
Target Commodity ... 4th in a field of 9 commodity funds

Source — Money Management and Unitholder— September 1978

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Remember the price of units and the income from them can go down as well as up.

THE FUND, formerly Target International Fund was reconstituted with the approval of unitholders on 18th September 1978. APPLICATIONS and cheques will not be acknowledged but certificates will be sent within 42 days. YOU MAY SELL YOUR UNITS at any time at a price not less than that calculated by Department of Trade regulations. Payment will be made within 10 days of receipt of the renounced certificate. The price of units and the yield are quoted daily in the national press. AN INITIAL CHARGE of 5% is included in the sale price of units out of which the Managers will pay commission of 1¼% to qualified agents. THE MANAGERS reserve the right to close the offer before the date stated if the offer price varies by more than 2½%. After the close of the offer units will be available at the daily price. IF YOU BUY REINVESTMENT UNITS income net of basic rate tax will be reinvested on your behalf so increasing the value of units relative to the income unit. Income units, however, qualify for a distribution net of basic rate tax on 15th October each year, the next payment is due on 15th October 1979. An annual charge of 0.375% of the value of the Fund plus V.A.T. will be deducted from the gross income of the Fund. TRUSTEE: Midland Bank Trust Company Limited. MANAGERS: Target Trust Managers Limited (a member of the Unit Trust Association) Telephone: 01-600 7533.

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*Delete whichever is not applicable.

I/We declare that I am/we are not resident outside the Scheduled Territories and I am/we are not acquiring units as the nominee(s) of any person(s) resident outside these Territories. This offer is not available to residents of the Republic of Ireland.

Signature(s) ______ Date ______

If there are joint applicants all must sign and attach names and addresses separately.

PLEASE WRITE IN BLOCK LETTERS - THE CERTIFICATE WILL BE PREPARED FROM THIS FORM.

Names in full (Mr Mrs Miss) ______

Address ______

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Total Funds under management in the Target Group £120,000,000

COMPANY NEWS

Stothert & Pitt profits a record-raising £1.06m

WITH THE announcement of higher sales and profits for the year ended July 1, 1978, the directors of Stothert and Pitt are proposing a rights issue to raise some £1.06m.

The issue will be 571,429 new ordinary shares on the basis of two-for-seven at 185p and is being underwritten.

The growth of the group's business and inflation create needs for additional finance to cover working capital requirements and in the short term, proceeds of the issue will be used to reduce bank borrowings, the directors say.

Turnover for the year rose from £23.81m to £27.91m and pre-tax profits were a record £1.33m against £933,000 previously. SSAP has been applied and comparisons have been adjusted.

Earnings per £1 share are shown at 62.7p against 37.7p and a final dividend of 8.26p makes a maximum permitted total of 10.66p compared with 9.5503p previously. For the current year, the directors hope to be able to recommend total dividends of 12.85p.

The directors say that over the past five years, considerable sums have been spent on modernising plant and equipment and on the reorganisation of production facilities.

During the year an amount in excess of £1m was appropriated for these purposes and such expenditure must continue at a high level for some years to come to maintain and improve the competitive position.

● comment

After an excellent first half when profits almost doubled, growth at Stothert and Pitt was somewhat less dramatic in the closing six months. Taxable profits nevertheless are 43 per cent better overall and this figure would rise to 55 per cent without the pension provision. The result, however, also reflects a drop in interest charges, with borrowings in the July balance sheet at £1.8m against shareholders' funds of £11.1m. At first glance a rights issue seems unnecessary but the company foresees continued asset renewal and modernisation for some time to the tune of £1m a year. This is high for a business of Stothert's size. The group's record is a little patchy but profits now seem to have recovered from the difficulties experienced in 1974-75. Demand for cranes is virtually non-existent in the UK but maintenance work is still proceeding on the prestigious £15m Saudi Arabian contract. Orders are apparently still healthy but it may be difficult to replace this big Middle East operation. The other interests are in competitive fields but Stothert has shown its ability to improve efficiency and boost margins in the past. At 235p, up 5p, the shares stand on a historic p/e of 3.6 and yield 7 per cent.

Whiteley back in the black

FOLLOWING a slump from a profit of £279,890 to a loss of £263,000 in the previous year, the directors of B. S. and W. Whiteley report a turnround from a loss of £83,391 to a pre-tax profit of £178,820 for the half year to September 30, 1978.

Turnover was close to expectations at £3m against £2.79m and the company returned to profitability despite a continued increase in costs, they add. There were small contributions from the subsidiary companies and associates are also showing further improvements in their results.

Compared with a loss, last time, of 1.213p, earnings per 25p share are shown of 1.945p for the period, but again there is no dividend. The directors have decided to wait for the full years' results before a decision on a dividend is made—last payment was a 0.5p net final for the 1976-77 year.

Net profit came out at £87,234 against a loss of £28,038 after tax split as to, UK £45,358 (£70,514 credit) and overseas £46,028 charge (£43,341).

Whiteley manufactures electrical insulating pressboard and multiply presspaper.

● comment

Whiteley is climbing out of the profit hole it fell into last year but rising costs, particularly pulp, are making the recovery difficult. The problem is that Whiteley is one of the few suppliers of insulating board to the world electrical generation industry. Demand is cyclical and competition, in downturns, particularly fierce with a resultant heavy pressure on margins. Last year there was overcapacity in the generation sector and, consequently overcapacity in the paperboard insulation industry. Whiteley embarked on a cost-cutting exercise which helped to minimise the loss and which is assisting the recovery. But a continued recovery depends on the ability to pass on rising pulp prices in the face of a very slow recovery demand. The shares were unchanged at 28p yesterday. The rather uncertain strength of the recovery means that directors will await full year figures before deciding on dividends.

Rush and Tompkins marginally off at interim stage

EXPRESSING disappointment with progress in the first six months of 1978, Mr Derek Balmar, chairman of Rush and Tompkins Group, reports a marginal fall in pre-tax profits from £408,000 to £392,000. However, he does point out that there has been a small increase in the attributable balance from £325,000 to £345,000.

Rental income is slightly down from £705,000 to £633,000, partly due to the sale of industrial property at the end of last year and partly because of somewhat higher than anticipated outgoings on existing properties which are not likely to recur.

As a result rents for the full year will not be quite as high as had been expected, but 1979 should see a resumption of a rising rent roll.

Although the sale of property resulted in a reduction in rental income, it also reduced borrowings and interest paid was lower in spite of the average rates ruling being well above those in 1977.

	Six months 1978 £000	1977 £000	Year 1977 £000
Turnover	25,944	27,019	54,441
Net rents	633	705	1,387
Operating profit	82	118	259
Except. items	—	—	182
Interest, etc.	343	412	877
Profit before tax	392	408	[illegible]
Tax	47	45	142
Net profit	345	363	1,129
Minority profits	—	40	1
Extraord. debits	—	—	213
Attributable	345	323	913

To make a start in reducing disparity with the final payment, the interim dividend is lifted from 0.875p to 1p net, which includes an additional 0.03p in respect of the reduction in ACT. Last year's final payment was 1.994p from profits of £1.27m.

The interim dividend absorbs £103,174 (£91,815) and Mr. and Mrs. K. P. Rush have continued to waive dividends on their beneficial holdings.

It is reported that residential estate development is going well and the significant rise in the sale prices of houses should mean that this division will show a profit in the full year for the first time in three years. Work is proceeding on several commercial and industrial development schemes in which prospective purchasers are showing considerable interest and depending on the progress of these negotiations profit will arise this year or next.

Construction turnover has risen again in spite of the continuing recession. Margins have remained under pressure and, coupled with the poor weather over much of 1977-78, this has resulted in these divisions not having a good year.

Some of the group's building contracts are, at present, showing deficits but the directors expect most of these to recover when payment for variations is agreed.

Assessed in accordance with usual practice, the directors feel that current work has been valued on a conservative basis. Rationalisation of the civil engineering division is now nearing completion. It is anticipated that it will make only a small contribution to profits this year, but it has obtained recently a number of substantial contracts and is looking for a much-increased business in 1979. Its piling business is developing well. Work is continuing satisfactorily on its major irrigation contract in Guyana.

Margins tighter at Silhouette

ALTHOUGH TURNOVER was well ahead from £7.32m to £8.94m pre-tax profit of Silhouette (London) advanced only marginally from £421,243 to £423,607 in the June 30, 1978 half-year.

Directors say the second-half should continue to show increasing sales, but adds that pressures on margins remain severe. He reminds shareholders that with the group's important involvement in swimwear, first-half profits always represent the major part of annual profits.

For all last year, profit of the foundation garment, swim and beachwear and children's clothing group totalled £300,817.

The interim dividend is maintained at 0.726p net per 20p share. Last time a 2.341p final was paid.

Results due next week

Companies reporting results due next week cover a wide spectrum of industries and among the more interesting are J. Sainsbury and Whitbread, the brewer, both of whom have been attempting to lift market share without seriously hurting their profits. The bank note printing group, De La Rue, is expected to show an interim profit increase while thread and fasteners manufacturer, Coats Paton is likely to record an interim downturn. A.B. Foods should benefit from increasing food sales while the internationally oriented Lucas electrical components group has been hit by a toolroom strike that could take the edge off the full year result.

Profits forecasts for J. Sainsbury's interim figures next Wednesday are all over the place. Undoubtedly the launch of Discount '78 has been highly successful in terms of sales and Sainsbury has increased its market share considerably. At the same time food sales have been improving nationally so the sales figure should be well up. The problem facing the analysts is to what extent has Sainsbury sacrificed margins to win market share. A consensus view is that pre-tax profits could be in the region of £14½m compared with £12.5m though there is at least one estimate pitched around £12.75m while others are up around £15.5m.

Last year Whitbread's half-time figures suffered from the effects of labour troubles which clipped at least £3m off the pre-tax profit. So next Tuesday's interim results should show a substantial improvement. Pre-tax profits will probably be in the region of £32m against £25.2m. At a time when beer consumption has been weak Whitbread has been recouping its market share but the one question which might undermine the analysts' forecasts is whether this volume growth has been at the expense of margins. However, the shares have been firm ahead of the results and there is some speculation that Whitbread could be in a position to increase its dividend by as much as 20 per cent this year.

De La Rue, the security printer, is expected to report a pre-tax profit of around £14m (last year £11.9m) when its interim figures are released on Tuesday. The banknote business started the year with a healthy order book and, with the bulk of overseas orders denominated in sterling it is not likely to have been affected by currency changes. The Brazil and Columbian subsidiaries' results will suffer on consolidation but the Swiss-based associate's figures will benefit from parity adjustments. The equipment renovation and replacement programme is fast running its course and towards the latter part of 1978-79 the productivity benefits should start filtering through.

In line with the company's earlier prediction of a significant downturn in profits for 1978, analysts have estimates Coats Patons will report on interim pre-tax figure of £35m next Tuesday compared with last year's £41m. The pattern established in the second half of 1977 appears to have continued into the first half with margins in North America, particularly in the domestic sewing market, under pressure from competition. Trading conditions in Europe still look to be difficult. On the other hand the UK outlook is reasonably bright and some growth in profits is expected. Currency parity adjustments will have an impact on the consolidated figures and interest charges are likely to be higher. Conditions appear to have continued in much the same vein in the third quarter but some relief is anticipated in the dying months of the year.

After last year's mixed result when profits slipped slightly to £77.6m, growth at Associated British Foods is expected to resume. With congestion in the important baking sector somewhat eased since the departure of Spillers, analysts are expecting interim pre-tax profits, due on Tuesday, in the £33m-£36m range (£32m). Baking losses last time amounted to roughly £2m, but although the overall trading picture has been less exciting this time the comparable period was severely disrupted by the bread strike. Australia is apparently slightly better and South Africa is little changed. Fine Fare, however, the group's retail chain, is still suffering from the price war and could see profits slip by up to £1.5m. Brokers are currently forecasting full year profits of £85m-£90m.

The most important aspect of Lucas Industries' full-year results, due out on Monday, will be whether it has been able to recover from the toolroom strike which cost £11m in the first half. Second-half trading has also been slightly weaker in both the UK original equipment and tractor markets—a factor which has adversely affected other motor component manufacturers recently. At least one analyst is forecasting around £72m for the year but the general feeling is that Lucas will turn in close to last year's £80m.

Other companies reporting interim figures next week include the Bank of Ireland, London and Northern and Hill Samuel. Preliminary final results are expected from Martonair and Wolsely Hughes.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Allied London Properties	Tuesday	0.393622	1.237046	0.393622
Anglo Scottish Investment Trust	Tuesday	0.6125	0.9575	0.7
Arenson (A.) (Holdings)	Tuesday	0.6759	1.2926	0.69179
Bridport-Gundry (Holdings)	Tuesday	0.66	0.8123	0.9
British Car Auction Group	Monday	0.65	1.231	0.66
Cedar Investment Trust	Tuesday	0.9	1.6	1.0
Central Manufacturing and Trading Grp.	Wednesday	1.31	1.252281	1.5
CLRP Investment Trust	Tuesday	0.6	1.7	0.6
Higsons Brewery	Thursday	0.775	1.579	0.4
Jenks and Cattell	Tuesday	0.495	0.6672	0.5445
Jessups (Holdings)	Tuesday	0.5	1.05	0.5
Lucas Industries	Monday	2.122	6.009	2.374
Manganese Bronze Holdings	Thursday	Nil	1.38264	Nil
Martonair International	Tuesday	1.357	3.756	1.75
RCF Holdings	Thursday	0.575	1.475	0.575
Safeguard Industrial Investments	Wednesday	1.0	2.6	1.0
Scottish National Trust Company	Tuesday	1.25	2.2	1.4
Snedwell Gear Case	Thursday	Nil	1.65	Nil
Wolsey-Hughes	Friday	2.675	4.8745	2.7275
Wood Hall Trust	Thursday	Nil	4.551	Nil
Yarrow and Co	Monday	1.5	3.1117	1.7
INTERIM DIVIDENDS				
Aberdeen Investments	Monday	[illegible]	1.45	
Airflow Streamlines	Tuesday	0.625	1.55	
Allnatt London Properties	Tuesday	1.0	3.3	
Ambrose Investment Trust	Tuesday	1.9	2.7	
Ash Spinning Company	Wednesday	1.0	3.445	
Associated British Foods	Tuesday	0.7935	1.7	
Bank of Ireland	Tuesday	5.0	10.0	
Bradford Property Trust	Tuesday	1.799	3.4107	
Bright (John) Group	Wednesday	0.95	1.47	
Capper-Neill	Tuesday	1.0541	1.0541	
Cater Ryder	Tuesday	4.0475	12.667535	
Clement Clarke (Holdings)	Tuesday	0.8575	1.225	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Coats Patons	Tuesday	1.1001	2.1299	
Continental and Industrial Trust	Thursday	2.25	4.13	
De La Rue Company	Tuesday	3.3	6.49897	
Feedex	Monday	0.335	0.79	
Ferguson Industrial Holdings	Friday	2.1	[illegible]	
[illegible] Refining (Holdings)	Thursday	1.1	1.737	
Fortnum and Mason	Friday	7.5	[illegible]	
Gieves Group	Tuesday	1.5	2.06769	
Great Portland Estates	Tuesday	0.666667	2.235133	
Hartwells Group	Wednesday	1.4641	2.9292	
Hill Samuel Group	Wednesday	1.675	2.229	
King and Shaxson	Friday	1.0	2.42582	
Leech (William) (Builders)	Thursday	7.5	7.5	
London and Northern Group	Wednesday	0.5	1.2	
Mountview Estates	Wednesday	0.45	0.5755	
Northern Securities Trust	Thursday	1.0	2.45	
Pearson (W. J.) and Son	Tuesday	Nil	0.25	
Porter Chadburn	Thursday	1.452	2.51576	
Portsmouth and Sunderland Newspapers	Tuesday	0.5594815	2.2466125	
Readicut International	Wednesday	0.47146	1.11453	
Roberts Adlard and Co.	Tuesday	1.565	2.7263	
Sainsbury (J.)	Wednesday	2.0775	2.9474	
Scotcros	Tuesday	0.5106	2.4317	
[illegible] (H. C.)	Monday	0.6	3.65	
Staveley Industries	Thursday	4.4	9.10582	
Sphere Investment Trust	Thursday	1.45	1.65	
Whitbread and Co	Tuesday	1.1475	2.7366	
Young Companies Investment Trust	Tuesday	1.4	2.25	
INTERIM FIGURES				
Belhaven Brewery	Tuesday			
Capital Gearing Trust	Friday			
Hammerson Property	Friday			
Leaderflush (Holdings)	Friday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Including second interim of 4p.

GUS makes good start in first five months

THE FIRST five months of the current year at Great Universal Stores show sales and earnings satisfactorily ahead of those for the same period last year, Sir Isaac Wolfson, the chairman, tells shareholders in his annual report.

The group's principal activities offer scope for growth both in catalogue mail order in the UK and Europe, and through the main retail multiple groups as well as in finance and property, the chairman says.

The financial strength and liquidity of the group should enable full advantage to be taken of opportunities for expansion both at home and overseas.

For the year ended March 31, 1978, sales, inclusive of VAT, were £1.24bn against £1.09bn and profits before tax, £128m against £112m. Total dividends are 8.24875p compared with 7.3862p, being the maximum permissible increase.

The group's financial strength is shown by the consolidated balance sheet, underlying which are conservative accounting practices such as the provision for unearned profit, service charges and collection costs which now amounts to nearly £100m, Sir Isaac says.

Ordinary stockholders funds, together with deferred taxation, but after all provisions and excluding the surplus of property values over book values (which property consultants have informally advised is not less than £75m in respect of UK properties) amounted to £519.7m. A formal valuation of all group properties, both in the UK and overseas, at March 31, 1979, has been arranged and it is hoped that it will be available by the end of 1979, the chairman says.

The main features in the UK were intensified competition and the need for increased sales volume to offset rising costs. The group's retail shops in the UK and overseas produced a satisfactory overall result. Furniture, fashions and footwear in this country made good progress though some overseas companies experienced difficult trading conditions.

Manufacturing and merchanting interests performed well and improved contributions to profit, says Sir Isaac. The finance property and travel activities earned satisfactory profits.

Once again exports improved materially by some 40 per cent to £31.5m mainly attributable to Burberry's.

Meeting, 20 Aldermanbury, EC, November 30 at noon.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aquascutum ......int.	0.59	Jan. 5	0.53	—	†1.54
Berry Trust	1.06	Dec. 8	0.88	1.06	0.88
Fundinvest	1.65	Nov. 30	1.42	2.69	2.4
Lake View Trust ......int.	1	—	0.75	—	2.4
Moss Eng.	3.79	Jan. 9	3.31	4.64	4.15
1928 Trust ......int.	1.25	—	*0.92	—	*2.92
Rush and Tomkins	§1	Jan. 8	0.88	—	2.87
Silhouette (London) int.	0.74	Dec. 27	0.73	—	3.27
Stothert and Pitt	8.26	Jan. 10	7.41	10.66	9.55
W. Tyzack	1.63	Dec. 6	1.25	2.88	1.88
Ulster TV	2.3	Jan. 9	2.1	4.3	3.9
View Forth Trust ..... int.	0.65	—	0.6	—	2.1

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes additional 0.015p for 1977-78 now payable. § To reduce disparity with final. Includes additional 0.03p.

Aquascutum sees little change

SALES for the half year to July 31 1978 at Aquascutum and Associated Companies rose from £8.85m to £9.12m and taxable profits were just ahead to £686,000 against £678,000.

The directors state that good trading at home and abroad continues and group results for the full year should be similar to the record £2.07m achieved in the 1977/78 year.

After tax of £337,000 compared with £332,000, net profit came out at £349,000 (£346,000) and the interim dividend is stepped up from 0.525p to 0.588p net per 5p share; an additional payment of 0.015p is also announced for 1977/78 on the reduction in ACT—last year's final was 1p.

Ulster TV has peak year

From turnover of £5.48m against £3.87m, profits before tax of Ulster Television were a record £660,234 for the year ended July 31, 1978 compared with £425,676 previously.

First half profits had risen from £247,000 to £380,000. The directors said then that advertising revenue had increased by 40 per cent and profits had moved ahead markedly.

Advertising revenue for the year rose from £3.76m to £5.27m, an increase of 40.1 per cent. Overall costs rose 25.6 per cent to £4.39m and as expected, there was a charge of £415,000 for the profit-based Exchequer Levy which affected the group for the first time.

The year's profit includes investment income of £108,054 (£79,827) and is before tax of £358,943 against £227,879.

Earnings per 25p share are shown at 12.9p (8.2p) and the final dividend is 2.3p raising the total from 3.9p to 4.3p. A final, at least equal to the 2p interim was anticipated.

Mr. J. L. MacQuitty, the chairman says the cost of providing programme services inevitably increased and the group's contribution next year to the ITV network would approach £1m.

He said that advertising revenue had returned to a more acceptable level. Its value, owing to the growth in the number of sets, with many in colour, was increasing day by day and there were now, in the Ulster Television area, 440,000 homes capable of receiving Independent Television.

In spite of some difficulties the group continued its policy of modernising and adding to its technical equipment. It had embarked on a major building extension at a cost of £800,000—this was necessary to relieve pressure on space and to provide a more integrated flow of work, particularly in the production department.

Clifford Inds. reorganisation: rights to cut borrowing ratio

A MAJOR reorganisation is planned for Charles Clifford Industries, the company in which Clairmace acquired a 29.4 per cent interest in July. The plan includes a rights issue.

On acquiring its holding, four of the Clairmace directors, including Mr. Oliver Jessel, were appointed to the Board.

Clifford has now released its results for the first half of 1978 which reveals a loss of £262,000 against profits of £85,000 in the same period last year—however the new Board considers the loss is at least balanced by appreciation of freeholds.

The first half loss is after provisions of £333,000 which the directors have made after a general review of stocks and debtors throughout the group and making the best possible assessment of likely losses involved.

Sales amounted to £5.09m against £5.88m.

Again no interim dividend is declared and while no dividend is expected for the year, a net total of 7.5p is forecast for 1979—the last payment was a single 2p interim in 1976.

The directors consider the percentage of borrowings to shareholders funds to be too high at 89 per cent and therefore recommend the rights issue to produce a more manageable percentage of 60.7 per cent. The rights is on the basis of one-for-two at 103p and is underwritten by G. R. Dawes and Co., and Gilbert Joffs and Sankey.

Based on an initial examination of the position, the board reports that both Metallisation and Metallisation Service are well established and profitable. Their combined trading profit for 1977 before bank interest of £72,012 and tax was £234,302.

Improved stock and debtor control has already resulted in a reduction in borrowings of over £200,000 in two months.

Charles Clifford, the non-ferrous metal subsidiary, needed substantial reorganisation. A number of major factors including halting profitability, lack of investment, low volume operation, insufficient product discrimination and lack of expansion into new fields, are now being tackled.

A more rapid stockturn will reduce financing charges and risk of losses on holdings of metal stocks as well as delays in execution of orders.

Metalisation Overseas, a 100 per cent subsidiary incorporated in Jersey opened a joint venture in Saudi Arabia to extend activities in this area. Conditions in Saudi Arabia are currently proving less attractive than originally anticipated. No decision has yet been reached on the future of this activity, but the involvement has been curtailed, the directors say.

By the time of the Board changes in August, the group was losing some £30,000 per month. A programme of short-term corrective measures was immediately introduced which is now having a marked effect.

Certain prices have been adjusted, an office block closed and various loss-making activities have been stopped.

Expenditure on items, many of which are long overdue replacements and improvements, will total £75,000 of which £35,000 will be charged in the current half year, the balance representing expenditure on plant and machinery.

Moss Eng. drops in second half

WITH SEWAGE control, profits seriously reduced, taxable profit of Moss Engineering Group dropped from £821,149 to £503,793 in the August 31, 1978, year, pointing to a fall in second half profit from £589,035 to £201,831.

Directors say the home market remained quiet in the year and while exports made progress, marketing and tendering expenses were very high, involving considerable technical man hours and executive time. Results from the general engineering division improved and the transmission products side was unchanged.

At half time, when profits were down little over £30,000 to £301,972, directors said that while useful gains were expected in turnover for the full year, it was probable that they would have to wait until 1979 to see a resumption of profit growth.

Turnover — including £1.17m (£1.04m) of internal sales—was £12.19m (£10.78m) with exports accounting for £2.83m (£1.29m).

After tax of £104,314 (£488,816) net profit was £399,479 against £432,333 last time. Earnings per 25p share are shown at 8.07p (9.38p).

The final dividend of 3.789p (3.313p) takes the total from 4.1505p to 4.6390p net.

Amber Day confident of good year

Sales so far at Amber Day Holdings are well up on last year and order books are higher, Mr. Ronald Metzger, the chairman, says in his annual statement. He looks forward to being able to report record profits for the current year.

For the April 30, 1978 year pre-tax profit rose from £861,896 to £880,799 on turnover some £3m higher at £17.22m.

Mr. Metzger says the recent acquisition of the Crombey House group of menswear retailers and manufacturers will add considerable strength to the group. Crombey's healthy financial position enables a strong expansionary programme to be pursued.

In the ladies' retail division Amber has acquired a new site at Oxford Circus which will commence trading later this year. Its policy of refitting and extending the selling areas of existing units continues and three units which no longer conform to group standards have been sold.

A new leather and suede garment division has been formed with Amber taking a 75 per cent interest. Initial results are encouraging, he says, and directors are continuing to explore the possibilities for similarly beneficial diversification. The light clothing division is increasing production to cope with demand.

At balance date fixed assets were £2.19m (£1.5m) and net current assets £1.71m (£1.33m). Directors say group properties are worth some £2m more than the £1.3m book value, subject to a £600,000 tax liability if the properties are sold.

Midway rise at 1928 Trust

Gross revenue of the Nineteen Twenty-Eight Investment Trust improved from £1.06m to £1.21m in the half year ended September 30, 1978, and net revenue was higher at £585,153 against £512,657 in the same period last year.

However the directors say that the rate of earnings in the first half is unlikely to be maintained in the second six months.

Earnings per 25p share are shown at 1.61p (1.41p) and the net interim dividend is effectively lifted from 0.92p to 1.25p partly to reduce disparity—last year's total was equal to 2.918p when net revenue was £1.09m.

At September 30, gross assets at valuation after providing for the ordinary dividend, amounted to £40.08m compared with £39.04m at the same date a year earlier. Net asset value per ordinary stock unit was 94.4p (90.5p).

	Half year 1978 £	1977 £
Gross revenue	1,205,834	1,064,034
Franked	724,966	592,174
Unfranked	470,068	471,860
Administration expenses	34,737	30,175
Interest charges	218,281	180,057
Corporation tax	107,173	132,921
Tax credits imputed to franked income	240,070	202,214
Net earnings	585,153	512,657
Cost of ordinary div...	435,625	344,125

BIDS AND DEALS

Turner Curzon opts for takeover

S. and W. Berisford, the international trading group, is to offer £1.7m cash for Turner Curzon, and, at the same time, solve a problem for the small conglomerate.

As part of the deal, Berisford will procure the £1.1m necessary to repay TC's convertible loan stock at par. The loan stock trust deed would be breached if some action was not taken.

This is because, in accordance with the auditors recommendation, TC is to provide £691,314 in the forthcoming accounts against all possible future losses on a long term contract to lease out two helicopters. This accounting treatment will reduce the borrowing base and cause a breach of the borrowing restrictions.

TC considered a re-organisation as an answer to this problem but decided that a take-over would be preferable. Recommending Berisford's offer, the directors say that they could have sold off a substantial part of the company to repay all or part of the loan stock but "the remainder of TC would still continue to face difficult trading conditions."

"The directors believe that the shareholders would be unlikely to see material improvement in TC's fortunes in the short to medium term, and therefore would be unlikely to receive more than minimal dividends for some time to come."

In the last balance sheet, TC had overdrafts and loan stock of £5m compared to shareholders' funds of £1.8m.

TC distributes a wide range of capital equipment including construction and farm machinery. It manufactures chemicals and has light and heavy engineering operations. But the part which appealed to most potential purchasers is the forest product broking business, Churchill and Sim. Berisford and TC believe that their interests in this area will be complementary.

TC's preliminary results announced yesterday showed pre-tax profits down at £338,000 (£365,000) on turnover of £79m (£86m). The directors do not propose a final dividend, leaving the total for the year at 0.315p per share (0.71935p).

AURORA GOES FOR OSBORN PREF.

Aurora Holdings is to offer 80p per share for all the 5½ per cent cumulative preference shares of its recently acquired subsidiary, Samuel Osborn.

The offer will be made through a scheme of arrangement under which it is proposed that the preference shares will be cancelled in consideration of the payment by Aurora of cash. The scheme is expected to become effective at the end of January.

The Board of Osborn and its advisers believe the proposals are fair and reasonable, and the Board recommends holders to vote in favour.

ERA RING MILL PULLS OUT

Following the posting of the offer document by Radwise making an offer of 16½p cash for each Wood Street Mill share, the Board of ERA Ring Mill has decided not to proceed with its offer of 13½p for each Wood Street share.

MIDLAND/PREEDY

Harris Allday Lea and Brooks have sold on behalf of clients 25,800 Midland Educational ordinary shares at 242p and purchased on behalf of Alfred Preedy and Sons 25,800 Midland ordinary at 242½p. Harris Allday Lea and Brooks also purchased for Preedy 1,300 Midland ordinary shares at 242p.

Panmure Gordon has bought 1,000 Midland ordinary at 241½p and 1,000 at 241p ER, for Preedy.

Dawson and Haggas resume talks

Mr. Alan Smith, chairman of luxury knitwear group Dawson International, and Mr. Brian Haggas, his counterpart at John Haggas, met in a small Scottish border town yesterday to resume negotiations of merger terms.

The results of the talks are expected to be disclosed on Monday.

The two had agreed terms in mid-September but the proposal was put on ice when Dawson's major shareholder, William Baird, announced its intention to bid for the remaining Dawson shares.

Under the scheme, a new company would have been set up. Each Dawson shareholder would have received one in it for each Dawson share and the Haggas shareholders would have got two new company shares plus 300p in cash for every three Haggas shares.

According to Baird the merger terms were "excessively in favour of Haggas shareholders and wholly inequitable from the viewpoint of all other Dawson shareholders." It felt its only alternative was to launch its own bid for Dawson.

The Baird offers lapsed a week ago leaving Dawson and Haggas free to attempt to reach a new agreement. Mr. Alan Smith has stressed that Dawson is still interested but, as circumstances have changed, the arrangements must be renegotiated.

Mr. Haggas has also re-affirmed his desire for a merger but has equally stressed that terms were agreed before the Baird bid.

Dawson's ordinary share price rose 1p to 184p and the "A" ordinary were up by the same amount to 183p giving the company a current market capitalisation of £40m. Haggas's share price slipped 4p to 165p giving it a market capitalisation of £20.6m.

WESTMINSTER PRESS

Westminster Press, a subsidiary of Pearson Longman, has acquired the 30 per cent of Southern Publishing Company it did not already own for £1.1m cash.

The acquisition followed discussions with Mr. E. Infield Willis, chairman, and his brother Mr. H. Infield Willis, director, who have represented the interests of the minority shareholders on the Board since 1965.

TALBEX

Talks described by both companies as "helpful discussions" were held yesterday between the Boards of Talbex and Birmingham-based Hoskins and Horton.

So far Talbex's approaches to Hoskins have been rejected. Each side is now "considering its position" but a bid by Talbex is still widely anticipated.

QUINTON HAZELL EXPANSION

Quinton Hazell has bought David Boler (exhausts and tyres) for £2.1m in cash.

Boler, based in Manchester has a warehouse and 18 depots in Yorkshire and Lancashire. The acquisition is intended to consolidate Quinton Hazell's position in the component replacement market. It will bring to 114 the number of its depots retailing tyres, batteries and free-fit exhausts.

SHARE STAKES

Crellon Holdings:—Globe Investment Trust has sold 50,000 ordinary shares but still holds 436,700 ordinary shares.

Drake and Scull Holdings:—Deputy Chairman has informed the Company that on October 20, his indirect shareholding was reduced by the disposal of 25,000 ordinary shares.

R. Cartwright (Holdings):—Norton Warburg (Bristol) were interested in 233,629 ordinary shares (7.12 per cent) on October 19.

Associated Fisheries:—Mr. J. Bennett, a director, has sold 12,143 ordinary shares.

Norcros:—Mr J. V. Sheffield, a director, has informed the company that 7,219 ordinary shares in which he had an interest, were sold on October 23.

Lawrie Plantations Holdings:—Walter Duncan and Goodricke has purchased 1,000 ordinary shares and now holds 330,991 ordinary shares (13.01 per cent).

Crosby House Group—International Investment Trust Company of Jersey now has interest in 210,750 Ordinary shares (26.92 per cent).

Associated Leisure—Mr. R. H. Ashworth, director, has sold 25,000 Ordinary shares and now holds 100,000.

Allied Plant Group—Electra Small Companies Exempt Fund is interested in 700,000 Ordinary shares (7 per cent).

Chubb and Son—Kuwait Investment Office has sold 100,000 Ordinary shares leaving interest of 5,456,250.

British Printing Corporation—London and Manchester Association Company now holds 74,000 4.2 per cent "B" Prefrence shares (approximately 9.7 per cent).

Trust House Forte—Kuwait Investment Office has acquired an interest in a further 50,000 shares making total interest 5,375,000 (5.34 per cent).

Danks Gowerton—J. B. Chittenden, a director, has sold 24,516 new ordinary shares.

Second City Properties—Control Securities has purchased a further 10,000 shares.

NO PROBE

The proposed merger between Lex Service Group and Transfleet Services is not being referred to the Monopolies and Mergers Commission.

UNIT TRUSTS

The attractions of Japan

The newcomer among this week's offers is Chieftain Far Eastern, investing mainly in Japan but also in Hong Kong and Singapore.

Chieftain, like several other groups which have recently launched Far Eastern trusts, is impressed with Japan's economic growth and the Japanese will to work. The hope is that with the help of contacts in the markets concerned the fund will go for capital growth—and income at one cent is taking a back seat.

M & G's Far Eastern Fund—the unit trust world's second best performer in the 12 months—and Target Pacific are also promoting the Eastern message. Barclay's Unicorn is offering its Australia trust and pointing to the country's vast resources of raw materials.

Back on the UK equity scene, Gartmore Fund Managers is drawing the attention of investors to the Gartmore High Income Trust. This fund by investing in high yielding U.K. equities provides a high initial yield of 9 per cent, with good growth prospects for future income. Investors seeking capital growth by this route can have the income reinvested.

Schlesinger Trust Managers are also keeping to the high income theme by offering the Schlesinger Monthly Income Portfolio. This scheme combines investment in three trusts, yielding 10.3 per cent so that investors receive regular monthly payments. However, the minimum outlay is £2,000 and the underlying portfolios have a high preference share content so that income growth is limited.

Finally, Lloyd's Bank Unit Trust Managers is drawing the attention of investors to its complete range of four trusts, designed to meet the needs of investors seeking income, capital growth or both. The income funds are based primarily on equities in order to maximise growth, but at the expense of initial yield.

مكتبة الأصل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

A compromise has been reached in the protracted struggle for control of Tridant Group Printers. Mr. Remo Dipre, Tridant's chairman, who launched a bid for the company in June, has given way by accepting the later offer from Argus Press. Starwest Investment Holdings, the private company owned by Mr. Dipre through which he launched his bid, is in talks with Argus and Tridant which are likely to lead to Starwest acquiring certain subsidiaries of Tridant for cash. Under the arrangement, Mr. Dipre would acquire the general printing companies and other subsidiaries. The proposed deal, however, will not affect the 100p a share cash offer from Argus.

Midland Educational, the Birmingham-based bookseller and stationer which has received no less than three bids, has decided to recommend a £3.42m offer by Alfred Preedy. The recommendation comes after a fortnight's consideration by Midland and speculation in the City that perhaps there were other potential bidders in the wings. Preedy's cash and shares bid, which has been revamped and slightly improved since the original announcement in mid-October, now comprises three Preedy plus £9.75 in cash for every five Midland. Midland rejected the Pentos £2.1m cash bid and a £2.9m bid from Lonsdale Universal on the grounds of inadequacy. Lonsdale Universal intends to allow its offer to lapse when the offer by Preedy or any other higher offer has been posted.

Vickers is selling its 72 per cent holding in Canadian Vickers to certain executives of the company for C$19½m (£8m). The executives are offering C$50 per share, which compares with the C$37 at which they were traded before dealings were suspended on October 27.

Standard Life Assurance has run into trouble over the proposed transfer of its Canadian Life business to the Canadian company Manufacturers Life Insurance of Toronto. A group of policyholders are opposing the deal as being unfair to the Canadian policyholders of Standard.

It now appears likely that the important Brooklands Estate belonging to Plantation Holdings will be compulsorily purchased as the British plantation company has been notified of an official inquiry regarding the valuation of the estate.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Bambergers	79‡§§	80	88	7.85	Intl. Timber	—
Bourne & Hollingsworth	235*	230	217	11.25	Raybeck	6/11
Compton Sons & Webb	72	73	73	12.25	Vantona	—
Customagic	21	15	19½	1.10	Mooloya Invs.	—
Goldrei Foucard	103*	100	78	2.39	Nthrn. Foods	—
Midhurst Whites	48*	47½	47	3.00	NV Wereldhave	—
Midland Educational	150*	242	120	2.10	Pentos	21/11
Midland Educational	244§§	242	230	3.42	A. Preedy	—
Mowat (W.)	22½*	30	27	0.225	Jenth	—
Plantation Hldgs.	64*	66	64	12.59	Multi-Purpose	—
Randalls	110½§§	105	98	2.81	Whitecroft	—
Tridant Group Printers	85*	100	55	3.72	Starwest Inv.	10/11
Tridant Group Printers	100*	100	84	4.38	Argus Press	—
Worne Wright & Rowland	67§§	64½	53	6.89	R. Priest	—
Warwick Eng.	41*	40	40	2.46	Mr. N. Gidney	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 2/11/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 3/11/78.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Acrow	Sept. 30	5,980	(5,290)	1.5	(1.25)
Allied Irish Bks.	Sept. 30	19,050	(18,690)	3.5	(1.812)
Avana Group	Sept. 30	1,410	(769)	0.65	(0.5)¶
Bambers Stores	July 29	639	(203)	1.427	(0.703)
Beales (John)	Sept. 19	479	(532)	1.4	(1.2)
Callender (Geo.)	June 30	185	(235)	0.605	(0.605)
Cartiers Superfds.	Sept. 9†	699	(498)	0.8‡	(—)
Davies & Newman	June 30	1,180L	(980)L	2.719	(2.435)
Electrocomponents	Sept. 30	4,510	(3,260)	1.5	(1.2)
Felixstowe Dock	June 30	584	(553)	1.0	(Nil)
Findlay (A. R.)	June 30	276	(237)	0.811	(0.726)
Graig Shipping	Sept. 30	778L	(774)L	Nil	(4.0)
Healam Sims	July 31	189	(165)	0.7§	(0.5)
Henderson (P. C.)	Aug. 31	718	(432)	1.7	(1.54)
Hoover	Sept. 30**	4,150	(8,620)	—	(—)
Kwik-Fit	Aug. 31	540	(443)	0.4	(0.33)
MacDonald Martin	Sept. 30	624	(507)	3.0¶	(3.0)¶
Mallinson-Denny	June 30	4,738	(4,632)	1.25	(1.25)
Melville Dundas	June 30	347	(295)	1.0	(0.893)
Polymark Intl.	June 30	432	(400)	1.52	(1.361)
Pritchard Services	June 30	1,170	(970)	0.66‖	(0.570)
Reed Intl.	Sept. 30	40,100	(38,400)	3.0	(5.956)
Rchrdsns. Wstgrth.	June 30	313L	(975)	1.05	(1.05)
Scot. Heritable	June 30	401	(253)	0.476	(0.433)
Shiloh Spinners	Oct. 7	143	(24)	0.75	(0.75)
Sturla Hldgs.	July 31	5	(53)L	Nil	(Nil)
UK Property	Sept. 30	427	(238)	—	(—)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † 32 weeks. ‡ 2.412p total forecast in July prospectus. § 1.7p total forecast in June prospectus confirmed. ¶ On 50p "A" shares; 1.5p paid on 25p "B" shares. ‖ Including special dividend due to change in tax rate. ** Nine months. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Audio Fidelity	Apr. 30	363	(428)	6.2	(7.3)	2.1	(2.1)
Blackwood Norton	June 30	305L	(243)	—	(2.3)	0.625	(0.812)
Empress Services	Mar. 31	30	(60)L	—	(—)	0.1	(0.2)
Hensher (Frntre.)	Mar. 31	611	(553)	5.4	(5.6)	1.1	(1.0)
Hepworth (J.)	Aug. 31	5,230	(3,360)	6.3	(6.2)	2.54	(2.091)
Linread	July 29	615	(166)	6.1	(3.2)	2.5	(2.0)
London Entmts.	Aug. 31	146	(109)	2.4	(1.7)	1.5	(1.375)
Low (Wm.)	Sept. 2	1,400	(1,610)	16.2	(19.4)	6.111	(5.473)
M. Y. Dart	July 1	1,560	(1,680)	9.1	(10.8)	2.432	(2.174)
Sungei Bahru	June 30	57	(71)	2.2	(2.7)	2.0	(1.84)
Utd. City Mrchnts.	June 30	2,770	(4,050)	4.4	(7.7)	0.839	(0.7488)

Scrip Issues

Bambers Stores: One for two.

M.Y. Dart: One ordinary plus one deferred ordinary for 10 ordinary.

United City Merchants: One for eight.

Rights Issues

Chepstow Racecourse: One £1 5 per cent convertible unsecured loan stock for one ordinary at par.

Findlay (Andrew): One £1 new 8 per cent convertible cumulative redeemable preference share for 10 ordinary at par.

Tern Consulate: One-for-two at 62p.

APPOINTMENTS

T. Chilton joins Southern TV Board

Mr. T. E. Chilton, an executive director of the Rank Organisation, has been appointed to the Board of SOUTHERN TELEVISION. He is chairman of Rank Advertising Films, Rank Film Distributors, Rank Hotels, Rank Leisure Services, Pinewood Studios and Rank Marine International.

★

Mr. D. M. Dunlop, a representative, North America (resident in New York) for the BANK OF SCOTLAND, has been redesignated senior representative, New York. Mr. C. D. M. Hunter, a manager's assistant, international division, of the bank's head office, Edinburgh, has been appointed a representative, New York. Mr. B. T. J. Lambert, a representative, North America (resident in Houston), has been redesignated senior representative, Houston. Mr. A. R. Steedman, assistant manager, oil department, head office, Edinburgh, has been appointed a representative, Houston, in succession to Mr. B. M. Ross, who has returned to the UK pending a further appointment.

★

Mr. Grayham Mitchell has been appointed a director of W. AND J. WHITEHEAD (LAISTERDYKE).

★

Mr. Ivan Wall, contracts manager of ALDERSLEY EQUIPMENT, has been appointed a director of the company.

★

Mr. W. A. Tulloch has retired from the board of JARDINE JAPAN INVESTMENT TRUST. Mr. Guy N. A. Crawford and Mr. Patrick A. F. Gifford have been appointed to the board.

★

Following the recent appointment of Mr. A. K. Gill as a divisional managing director of JOSEPH LUCAS, Mr. R. E. Lucas has been appointed general manager of Lucas CAV and Mr. R. A. Hennery, deputy general manager.

★

Mr. T. J. Manners has been appointed to the Board of LAKE VIEW INVESTMENT TRUST.

★

Sir John Trelawny has been appointed a non-executive director of MORRIS AND BLAKEY WALL PAPERS.

★

Mr. Peter Cawsey has been appointed chief manager of the Gracechurch Branch of BARCLAYS BANK INTERNATIONAL from November 6. Mr. Cawsey, previously with Barclays Bank SA in Paris, succeeds Mr. Ralph Allen, who is retiring.

★

Mr. M. A. Grant has been appointed managing director of JAMES GULLIVER ASSOCIATES. He is managing director of Alpine Holdings.

★

Mr. M. E. Harper Gow has been appointed financial director of NUCLEAR ENTERPRISES, a member of the EMI group. Mr. Harper Gow was appointed manager, group internal audit, EMI, in 1973 and in 1976 became financial director of EMI Sound and Vision Equipment.

★

Mr. Frank Kenaghan has been appointed director of operations for CARRERAS ROTHMANS.

★

Following his appointment to the Board of the newly-formed Associated Film Distribution Company (which will handle all EMI and ITC products in the U.S. and Canada), Mr. Barry Spikings has relinquished his directorship of COLUMBIA-EMI-WARNER. His place on that Board will be taken by Mr. Robert Webster, managing director of EMI Cinemas. While retaining his present position, Mr. Webster will expand his duties to collaborating with Mr. H. C. Nicholas, managing director of Columbia-EMI-Warner Distributors, on all EMI productions released through that company.

★

Mr. John Baker, is to be secretary to the CENTRAL ELECTRICITY GENERATING BOARD in succession to Mr. Alick Wright who retires in March. Mr. Baker, is at present deputy chief executive of the Housing Corporation.

★

J. H. CARRUTHERS and COMPANY has made Mr. Peter Dobson director of engineering and marketing. He joined the company in July 1977 as chief engineer and early this year became technical director.

★

Mr. John R. W. Ward has been appointed regional director Europe for QUANTAS, based in London, in succession to Mr. Tony Foster, who has retired.

★

ALLTRANSPORT INTERNATIONAL GROUP has appointed a UK director, Mr. Norman Woodason, to work full-time in the U.S. in charge of North Atlantic sales.

★

H. GOLDMAN GROUP, has appointed Mr. Brian Norman executive chairman and Mr. Brian Pedley a director. Mr. Roy Garner has resigned as chairman and director of the group to reduce his business commitments.

★

Mr. Gordon Barker has become assistant managing director of the UK region of Wilkinson Match. He continues as managing director of Bryant and May, a member of the Wilkinson Match group.

★

Mr. Warwick Squire, Dowty group director and managing director of the group's aerospace and defence division, additionally has been appointed to the Board of DOWTY EQUIPMENT OF CANADA. Mr. Colin Rone-Clarke has joined DOWTY HYDRAULIC UNITS as production director. He was previously with BL.

MINING NEWS

Texasgulf better trend

Despite an improvement in its third quarter earnings over the same period of 1977, profits at Texasgulf, the diversified U.S. minerals group with substantial Canadian interests, are still running behind those of last year.

Net income during the September quarter was $12.8m (£6.09m) or 34 cents a share, compared with $10.6m or 27 cents a share in the same period of last year, reports John Soganich from Toronto.

But net profits for the first nine months of this year at $35.1m still lagged behind the $38.2m earned in the first three quarters of 1977.

There were increases in prices and sales volumes for soda ash, phosphates and sulphur and an increase in the volume of zinc sales. All this helped to offset the price decline for copper and zinc during the first half of the year.

During the latter part of the third quarter the group was receiving more for both copper and zinc, but a statement said this "had very little effect on third quarter earnings."

The higher sales volume has brought with it higher operating costs, at a time when inflation has already resulted in increased charges for energy, labour and materials. Texasgulf's zinc plant at Timmins is still operating at 65 per cent of capacity while the Frasch sulphur operations are working at 70 per cent of capacity.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at October 24, 1978 (Base 100 at 14.1.77)
Clive Fixed Interest Capital 129.21
Clive Fixed Interest Income 113.86

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at November 2, 1978
Capital Fixed Interest Portfolio 100.02
Income Fixed Interest Portfolio 100.01

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	July Vol.	July Last	Stock
ABN	F.330	5	42.50	—	—	—	—	F.366
ABN	F.360	5	18	—	—	—	—	..
ABN	F.370	8	11.40	—	—	—	—	..
AKZ	F.30	49	2.60	22	4	1	5.50	F.29.60
AKZ	F.32.50	28	1.60	32	3	30	4	..
AKZ	F.35	—	—	45	2.20	30	2.40	..
ABB	F.78.90	—	—	20	4.60	—	—	F.76.20
ABB	F.83.90	—	—	3	1.90	—	—	..
EK	$60	8	3½	—	—	—	—	$58⅞
EK	$70	5	1	5	2½	—	—	..
HO	F.35	—	—	1	7	—	—	F.37.50
HO	F.37.50	10	3.10	—	—	2	6.50	..
HO	F.40	50	2.80	1	4	3	5.60	
IBM	$240	1	34½	—	—	—	—	$267¼
IBM	$260	1	20	—	—	—	—	..
IBM	$280	6	8¾	—	—	—	—	..
IBM	$300	19	3¾	11	7¼	—	—	..
KLM	F.133.30	5	13	—	—	—	—	F.136.50
KLM	F.140	1	9	5	15	—	—	..
KLM	F.142.90	14	7.50	—	—	—	—	..
KLM	F.150	—	—	50	10	—	—	..
KLM	F.152.40	10	4.60	—	—	—	—	..
KLM	F.160	7	5	18	7.80	3	10	..
KLM	F.161.90	25	3.10	—	—	—	—	..
KLM	F.170	6	2.10	40	6.30	1	7	..
KLM	F.171.40	9	2.70	—	—	—	—	..
KLM	F.181	30	1.30	—	—	—	—	..
NN	F.98.90	1	14.40	—	—	—	—	F.110.50
NN	F.108.90	5	6.90	—	—	—	—	..
NN	F.120	—	—	3	6.80	—	—	..
PHI	F.22.50	1	4.80	—	—	—	—	F.26.70
PHI	F.25	—	—	—	—	25	4	..
PHI	F.27.50	6	1.40	95	2.30	—	—	..
PHI	F.30	5	0.60	5	1.40	4	1.90	..
RD	F.120	11	7.90	—	—	—	—	F.123
RD	F.130	8	3.20	15	5.30	—	—	..
RD	F.140	5	0.80	8	2.20	—	—	..
UNI	F.120	20	5.10	10	4.60	—	—	F.120
UNI	F.130	—	—	—	—	10	4	..
		Nov.		Feb.		Mar.		
BA	$70	—	—	15	3½	—	—	$61⅛
BA	$80	—	—	—	—	2	3½	..
TOTAL VOLUME IN CONTRACTS						857		

The Royal Bank of Scotland

INTEREST RATES

The Royal Bank of Scotland Limited announces that with effect from 6th November 1978 its Base Rate for lending is being increased from 10 per cent. per annum to 11½ per cent. per annum.

The maximum rate of interest allowed on Deposits lodged for a minimum period of seven days or subject to seven days' notice of withdrawal at the London Offices of the Bank will be increased to 7 per cent per annum.

C. Hoare & Co.

Announce that as from Monday the 6th November 1978 their Base Rate is being altered from 10% to 11½%

A high income now with prospects of growth in income and capital.

9·00% estimated current gross yield (as at 2nd November 1978)

Gartmore High Income Trust is primarily invested in UK equities, and aims to provide a high and increasing income without sacrificing potential for long-term capital growth.

Since the Trust was launched in April 1975 the offer price of units has increased by 135.7% compared with a rise of 74.9% in the Financial Times Ordinary Share Index. In addition original unitholders have to date received a gross income of £58.05 for every £100 invested.

Remember that the price of units and the income from them can go down as well as up.

You should regard your investment in High Income units as a long-term one.

You can invest any amount over £200. Simply fill in the coupon and send it to Gartmore Fund Managers with your cheque, or consult your professional adviser.

GARTMORE

Fill in the coupon and send it now. To: Gartmore Fund Managers Ltd. 2 St. Mary Axe, London EC3A 8BP.

I/We wish to buy Gartmore High Income Units to the value of £ at the offer price ruling on the day you receive this application.

I/We enclose a remittance, payable to Gartmore Fund Managers Ltd.

SURNAME (MR. MRS. MISS)
FIRST NAME(S) IN FULL
ADDRESS
SIGNATURE(S)

FT 4/11/78

Cocoa
The Outlook for 1978/79
Inter Commodities Limited
Specialists in Fundamental Research

To: Inter Commodities Ltd., 3 Lloyds Avenue, London EC3N 4DS. Telephone: 01-481 9827.

Please send me your report on the outlook for Cocoa in 1978/79.
Name
Address
Telephone No.

AUSTRALIA IS MAKING THE MOST OF HER RESOURCES. ARE YOU?

We suggested a few months ago that there was money to be made in Australia. Since then a good many commentators have supported this view, and a good many investors have taken a stake in the country through our Unicorn Australia Trust.

By doing so, they should benefit from the country's vast store of natural resources. The land and sea are yielding new strikes of copper, silver, zinc, diamonds, oil and gas, and the country is rich in uranium.

Our enthusiasm for investing down-under was reinforced when the Australian Budget was announced. It set out to cut back inflation and to boost company profits. The mining and energy sectors in particular stand to gain from the new measures.

With the government determined to attract investment and at the same time exploit natural resources, Australian prospects look good.

And as the largest unit trust specialising in Australia, the prospects for Unicorn Australia look just as rosy.

The trust's aim is to obtain long term capital growth by investing in a spread of Australian companies and some British companies with Australian interests. Mining and energy-related stocks make up the bulk of the portfolio.

Its performance over one year has pushed it into 6th place out of 355 unit trusts, according to Planned Savings Magazine.

So perhaps it's time you began to exploit your own resources a little more vigorously.

You can invest in Unicorn Australia Trust with a lump sum of £250 or more. Or, if you wish to save on a regular basis with tax relief, you can make a monthly payment from £10.30 which also provides life assurance cover. Please fill in the subscription form below.

You should remember that the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

There are two types of unit:

Income Units: distributions are paid half yearly on 1st February and 1st August after tax at the basic rate.

Accumulation Units: the after-tax income attributed to these units is automatically retained within the Trust to increase their value. As there is no initial service charge when income is re-invested this way it provides an economical method of investing.

The price difference reflects the accumulated income.

The offer prices which can change daily, were 79.7p per accumulation unit and 62.8p per income unit on 3rd November, 1978 with an estimated gross yield of 1.87% p.a. The first payment to new investors in income units will be on 1st February, 1979.

Any branch of Barclays Bank can give further information and advice.

Prices and yield appear daily in the Financial Times and other national newspapers. The offer prices include the initial management charge of 5% and there is a half-yearly charge of ⅜%, plus VAT. Commission at 1¼% is paid to authorised agents, but not in respect of Barclaycard purchases. You can sell back units on any business day at the bid price ruling when your instructions arrive. Payment will normally be made within seven days of receipt of the renounced certificates.

Managers: Barclays Unicorn Limited, Member of the Unit Trust Association. Trustee: Royal Exchange Assurance.

BARCLAYS UNICORN AUSTRALIA TRUST.

To: Barclays Unicorn Limited, 252 Romford Road, London E7 9JB.

Surname (Mr., Mrs. or Miss) Forenames in full
Address

Lump Sum Investment I/We wish to invest (Minimum £250) £ in income/accumulation* units of Unicorn Australia Trust and enclose a cheque for this amount. *Delete whichever is not applicable.

If you wish to purchase these units through your Barclaycard account please fill in your Barclaycard number here.

I/We understand that units will be bought for me/us at the offer price ruling on the day of receipt of this application. *A contract note showing the number of units purchased will be sent to you. Certificates will be posted within six weeks.* I/We declare that I am/we are not resident outside the Scheduled Territories nor acquiring the units as the nominee(s) of any person(s) resident outside those Territories. *If you are unable to make this declaration, it should be deleted and the form lodged through your bank, stockbroker or any other authorised depositary. In the case of joint applications all must sign. This offer is not available to residents of the Republic of Ireland.*

Signed Date Agent's VAT No. FT04/11TA

Regular Investment with Life Assurance and Tax Relief. If you want details of the Barclays Life Assured Savings Plan, investing from £10.30 per month, please tick here.

BARCLAYS UNICORN GROUP

Registered Office: 54 Lombard Street, London EC3P 3AH. Registered in England No. 589407. Ultimate holding company Barclays Bank Limited.

BOOKS

Bad men BY C. P. SNOW

Nuremberg: A Personal Record of the Trial of the Major Nazi War Criminals by Airey Neave. Hodder, £7.50. 348 pages

It was a piece of luck for us all that Airey Neave was on duty at the Nuremberg trials. He was only twenty-nine. As a young lawyer, he was deputed to serve the indictment on twenty-one Nazi defendants. There couldn't have been a better choice. He had had an exceptionally arduous war, with as big a variety of military and para-military experience as anyone in Europe—infantry soldiering, escape from German prisons, interrogations by the Gestapo, underground work with resistance movements, miscellaneous jobs in Intelligence. As much as a single man could, he knew what the Hitler war had been like.

He is also a man of deep and passionate feeling. He has suffered with the sufferers. He has a stern and upright sense of human virtue. In observing, and trying to understand, the opposite of human virtue, he doesn't fall into one of the sentimentalities of our time, the facile over-compassion which doesn't believe that anyone is ever really guilty of anything.

With that admirable equipment, Neave has produced a book which ought to have its place on the permanent record. He writes with masculine strength and sometimes a layer of grim humour. He makes one feel grateful to have been spared sitting through the trial: but I think he also makes one feel that it was right the trial should happen. At the time, and long afterwards, I myself was tempted by the Churchill view—draw up a list of top Nazis, and when they are captured, shoot them out of hand. Neave gives firm arguments to prove that couldn't and shouldn't have worked. Incidentally, if there is another major war, what are the chances of survival for the leaders on the losing side?

Neave's visits to the prisoners are drawn with a sharp and unrelenting eye. One oddity, which the book brings out more clearly than ever, is the extraordinary ragtag and bobtail who had top jobs in the Nazi state. To an extent, Hitler had been rewarding old supporters—but who in his right mind would let responsible posts be occupied by Streicher, Ley, Kaltenbrunner, Frick or Hess?

It produces wonderment that the system should have shown such astonishing resilience. Of course, Hitler himself was a man of political genius, and Goering, when knocked off drugs at Nuremburg, showed that he had formidable ability. Some observers said, in private, that he emerged as the ablest figure in that court, lawyers thrown in. Goebbels, who removed himself before any possibility of trial, was also devastatingly able. So was Speer, whom Neave regarded, and still regards, with increasing dislike. He was too smooth by half. Neave was certain he knew all about slave-labour, and was its chief employer. He was very clever, and conscious of what he was doing. Neave sums up his reaction: "I felt he was more beguiling and dangerous than Hitler."

On the other hand, Neave, with his sense of justice, equally had no doubt that some should not have been hanged. Sauckel, who was a humble subordinate—Jodl, for whom Neave formed considerable respect. Keitel was no good, just a time-serving military lackey, but Jodl was a high class staff officer and apparently didn't have much more responsibility for horrors than anyone else of high rank in the German army.

It remains a lesson to us all just what men, trained in the strict professional code of the Prussian officer corps, could do when set to work in the mode of duty. The commissar order—obeyed in the mode of duty. Mass-execution of Jews—carried out in the mode of duty. Are we certain how we should behave in the mode of duty? Maybe that is the most harrowing thought, after reading Neave's book and having to think again about the whole hideous business.

Trevor Humphries

Three faces of Dirk Bogarde whose latest volume of autobiography is reviewed below

Vive la différence BY B. A. YOUNG

Snakes and Ladders by Dirk Bogarde. Chatto and Windus. £5.95, 339 pages

More or Less by Kenneth More. Hodder and Stoughton. £5.95, 249 pages

Tony Hancock "Artiste" by Roger Wilmut. Eyre Methuen. £6.95, 269 pages

Take two successful stage and screen actors born in the first quarter of this century into fairly prosperous middle-class English families, and their autobiographies are likely to be as congruent as a pair of Euclid's triangles. There is the early struggle, then the wartime service, then the ascent to the top. Only the details will differ.

But it's the details that count. Dirk Bogarde, né Derek van den Bogaerde, is an intensely private man, and his book (a sequel to his enchanting account of childhood, *A Postillion Struck by Lightening*) is a work of conscious art. The acting is there in his narrative, and the players, but almost as important are the ancillaries—the purchase and decoration of beautiful houses, the contacts with humanity outside the dramatic world. Moreover, Mr. Bogarde seasons his account with so much pseudo-verbatim dialogue that it often takes on an appearance of fiction in which the characters have real names.

Some seem almost fictional in real life anyway. The horror of making *I Could Go On Singing* with his beloved Judy Garland, liable to lock herself in the lavatory and call the whole thing off if anything upset her; the god-like certainty of Visconti, confident that what he wanted would be done as he wanted it if it were to the inconvenience of the whole western world — Mr. Bogarde writes vividly about such things.

Mr. More doesn't write artistically; he writes as if he were chatting to you at the north end of the bar at the Garrick Club, and his characters come out the sharper for it. He and Dirk Bogarde cross paths occasionally. They both played in *Power without Glory* at the New Lindsay in 1947 (the first play I saw after the war); they both scored hits in the film *Doctor in the House*; later, when Mr. More had proved himself more than just a fine comic (trained at the Windmill, no less), Dirk Bogarde played the lead in *The Wind Cannot Read*, originally offered to Mr. More.

But the details seldom correspond. Mr. Bogarde is introvert, Mr. More unquenchably outgoing; like P. Terentius Afer and The News of the World, he is a man and thinks nothing human to be foreign to him. Stories grave and gay, but mostly gay, bubble endlessly from him. When Mr. Bogarde was seriously thinking of finishing as an actor and devoting himself to painting and gardening, he was rescued by Visconti, who gave him intellectual parts in *The Damned* and *Death in Venice*. Mr. More, at a similar time in his career, turned down Shakespeare at the National.

Sir Terence Rattigan (and I can drop a name with any actor) once advised me that if I had reservations to make in a notice, I should put the good bits first and the bad after. So I must record that Mr. Bogarde is a bit careless over proper names (Boussicault, for heaven's sake!); and Mr. More, always seduced by a funny story, hardly does himself justice when he devotes four times as much space to a coffee commercial as to *Father Brown*, which he once said was the most enjoyable part he had ever played. Well, never mind. Both books have lots of pictures, including most of Mr. Bogarde's lovely houses. "The Green Study Beel House." Was there a Brown Study, I wonder?

The oddly named Tony Hancock book is what I suppose show business writers would call a careerography—a survey of all his professional work, from 1941 in a Bournemouth concert party to 1967, when he killed himself in the middle of a television series being shot in Australia. This contains close descriptions of most of the work and fills two-thirds of the book. The rest is devoted to lists and particulars of every performance. This is for addicts only, and Roger Wilmut is clearly an addict.

Inside Iran

BY ROGER COOPER

Iran: The Illusion of Power by Robert Graham. Croom Helm, £7.95. 228 pages

Robert Graham spent two years from mid-1975 as the Financial Times correspondent in Tehran, and in this timely book he has "encapsulated," to use his own term, a remarkable period of Iranian history, the boom-to-bust years from 1973 to 1977.

This is the first detailed account of the unique opportunity which Iran, or rather the Shah of Iran, for Graham makes it clear that throughout this period the two were synonymous in terms of decision-making, won by the quadrupling of oil prices in 1973, and the way in which this opportunity was mishandled. The serious political and economic crisis currently engulfing Iran has its roots in this period.

In the main, it is a sorry tale that emerges. The chapter entitled "Successes and Failures" reads like a catalogue of social and economic disasters caused by poor planning and inept management by the public and private sectors alike, mistakes it is sometimes forgotten by critics of Iran that were being duplicated in most of the OPEC countries, although the consequences were not so severe. Were it not for the too rosy view of Iran's progress in the past decade taken by so many Western businessmen, diplomats and politicians (who undoubtedly fuelled the Shah's understandable euphoria), the author could be accused of bias. As it is, his account is a welcome contrast to the apologists and the often equally ill-informed counterblasts from the regime's foes.

Much of what Graham has to say is based on unattributed remarks made to him by highly placed Iranian and foreign officials. It is a high tribute to his skill as an investigative reporter that so many potentially vulnerable people were persuaded to say so much, even off the record, at a time when fear of the secret police or dismissal for disloyalty was so prevalent.

In a country where at least until recently Graham's description of the Press as a "Government public relations agency" is scarcely an exaggeration, it is surprising that locally published sources are of any value to the historian. Yet Graham quickly learned the art of Kremlin- or China-watchers of reading between the official lines, and some of his most telling broadsides are in fact quotations from the Shah's own words. He cites, for example, a comment on single-party systems made by the Shah in the early 1960s:

"In the elections (if you can call them by that name) the voter has no choice, for the only candidates listed are those of the ruling party . . . I wonder how many intelligent people are fooled by that sort of thing."

There is much solid detail to support Graham's "two-face" theory of how the levers of power are really operated. He shows that behind the apparent institutions of democracy, such as the Cabinet, Parliament and the judiciary, are the "covert or unconstitutional" controls, consisting chiefly of the Imperial Inspectorate, the secret police, the military tribunals, and the economic power of the Royal Family. Despite the obvious difficulties of investigating how this covert side operates, Graham exposes enough skeletons to make one shudder at what will emerge if the full story ever comes out in an Iranian Watergate. Already since the material for this book was gathered new allegations of massive corruption and influence-peddling are being made against several members of the Royal Family, and the Shah has now effectively disowned them.

In view of the pioneering work done by Graham in analysing what to the West is probably still the most important country in the Middle East in strategic and economic terms and the relevance of this analysis to the current dilemma of whether to continue supporting the Shah's regime, it is perhaps churlish to point to the book's weaknesses. These range from relatively unimportant matters such as inconsistent or wrong transliterations to more serious faults such as factual errors and misleading oversimplifications.

It is not correct, for example to say that the Soviets built the IGAT I gas pipeline, or to imply that Ahmad Shah vacated the throne and the Majles just happened to choose Reza Shah as his successor. These signs of hasty writing, however, mainly concern the period prior to 1973 and do not seriously detract from the value of the book as an explanation of why things have gone so wrong in Iran.

Fiction

Games of chance

BY MARTIN SEYMOUR-SMITH

The Chain of Chance by Stanislaw Lem, translated from the Polish by Louis Iribarne. Secker and Warburg, £4.50. 179 pages

Plumb by Maurice Gee. Faber and Faber, £4.95. 272 pages

Ormerod's Landing by Leslie Thomas. Eyre Methuen, £4.95. 213 pages

They Do It All With Mirrors by Carol White. Cape, £3.95. 256 pages

Live Bait by Frank Tuohy. Macmillan, £4.95. 181 pages

Stanislaw Lem is an immensely prolific Pole who has written criticism, fiction of several kinds including satirical and futurological, philosophy, and other books. He was trained as a doctor. *The Chain of Chance*, excellently translated, is really an ironic and even convoluted philosophical essay on chance, the random, the aleatory (such as is, for the most part horribly, familiar to us in the games of certain musicians), and its relation to the proliferation of people, ideas and everything else in the 20th century. This may sound recondite. It is anything but. For Stanislaw Lem has dressed it up as a serious and exciting detective story which is also a thriller.

There has been a series of deaths in Italy: the victims have in common that they were middle-aged, non-Italian, male—and in some way connected with Naples. The obstinate widow of one of them hires a detective to investigate. He is still very fit and of course very intelligent—all that is wrong with him is that he has a touch of hay fever.

That last detail turns out to be important. Adams the astronaut's meticulous retracing of the footsteps of the most recent victim, Coburn, and its surrealistic—and yet perfectly explicable—ins and outs, his concern with computers and with what is chance and what is not (the bomb that "happens to go off" in the course of his investigations) makes fascinating reading. This is an intelligent and ingenious and subtle book. I don't think I agree with what the author is trying to say (if I read him right): but that doesn't worry me at all.

The New Zealand writer Maurice Gee's *Plumb*, his fifth book, is about a sort of saint: a New Zealand Presbyterian Minister at the turn of the century, whose stubbornness is destructive and yet at the same time heroic and admirable. Although partly fictional, Plumb is in essence based on the author's grandfather, James Chapple.

It is impressive, and gets a good deal of its power (I suspect) from the fact that Maurice Gee is trying to seek out the good in a man with whose fundamental precepts he is in disagreement. There is sometimes a Joyce-Caryan quality to the book, especially in its depiction of the central figure's appalling and yet appealing rigidity. Indeed, some flexibility has been lost because the author has written the narrative in the first person: Plumb tells his own story.

That means, too, that certain "clues" are too obtrusively dropped about his perhaps sometimes tedious narrowness. But the ending is perfect, and full justice is done to the photograph of Plumb (is this Chapple?), incorporated into the jacket design, a photograph which is fascinatingly provocative, and which leads the reader to ask what manner of man this could be. . . .

Leslie Thomas' tale is lucidly *Landing* is about the first British raid into German-occupied France after Dunkirk. The force consisted of a detective-sergeant of Metropolitan Police, a young French woman schoolteacher, and a dog. The date was September 21, 1940, the Germans helped the party ashore, and the object of the exercise was to obtain help with inquiries into a murder in Wandsworth.

Leslie Thomas' tale is lucidly told, farcical, highly readable, unlikely and sentimental. It is almost unmarred by vulgarity, and is his best book yet: an ingenious murder mystery with some funny passages: very professional.

They Do It All With Mirrors comes from America; the author was an editor and is now a journalist and film-critic. It is about a sensible young woman, early widowed, who goes through life without making any adjustments to her rudder but who avoids serious collisions in time. Some of the material satirised is stale (Transanalytical Analysis Groups, organic milkshakes, sleeping with helpless men she doesn't really love), and the outlook of the heroine (as I think we may call her) is not as interesting as it might be—it is zany in an over-familiar way, and unoriginal—but this is a nice book, with nice feeling, about a nice and rather ordinary woman. Perhaps that is the point.

Frank Tuohy's new volume of short stories, his first since *Fingers in the Door* (1970), is highly professional but somewhat manufactured. The first story, "A Summer Pilgrim," certainly has a point to make, and one which the author excels in making—cultural differences and the real as distinct from the abstract effect they have—but he falls dismally in his presentation of an old poet whose work is supposed to have appealed to "three or four successive generations of readers." Atmosphere and awareness are there all the time: but situation is blurred and clumsy: an old vein is being exploited, one which, for him, may have run out. Genuine—but not the author at his best.

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Family feeling

BY RACHEL BILLINGTON

A Portrait of Jane Austen by David Cecil. Constable, £6.95. 208 pages

Lately I had begun to hope that Jane Austen was too good to be true. Her "square inch of ivory" seemed irritatingly perfect, the lack of higher ambitions the outcome of a narrow vision rather than humility and good sense. Re-reading the novels with this in mind, I was able to convince myself that her comedy arose not out of her much vaunted ironic wit but from a vitriolic dislike of human nature. The humour consisted of a horrible kind of patronage in which inferior creatures such as Canon Collins, Mrs. Bates or even Emma were set up only to be knocked down.

"Why doesn't she dare to take on someone of her own weight?" I asked myself—carefully avoiding a too close study of *Persuasion* or a too sympathetic understanding of Elizabeth Bennett. After all, even Elizabeth spent most of the book making a fool of herself.

It seemed typical of England that we should produce such a pusillanimous genius or, even worse than that, a hypocritical one. If Jane Austen really believed in the morality expressed in the insipid heroine of *Mansfield Park*, then whatever was she doing scalping poor creatures who had no worse fault than folly?

This attitude was an invigorating exchange for the stale admiration of years and, although tending to make me harsher with the lengthy idiocies of, for example, Mr. Woodhouse, made me no less able to appreciate the brilliance of *Pride and Prejudice*. On the contrary, the belief that the author's recognised "rapier wit" came from a mind appropriately vicious rather than discreetly virtuous, made it all the more exciting.

Unfortunately, this theory—like all good theories—was best kept in a vacuum, and David Cecil in his admirable *A Portrait of Jane Austen* lets in reality with a revenge. Even allowing for the shortage of personal evidence, he makes a strong case that Jane Austen stood "for the values she and her world believed in. Good sense and good manners, humour and a firm religious faith . . ."

As he paints a convincing picture of the confident eighteenth-century society in which a confident Jane Austen moved, it becomes more and more difficult to see her as the worm in the nest. On the contrary, she was above all a member of a deeply affectionate family circle which beginning with six brothers and two sisters, soon expanded to endless nephews, nieces and cousins. Most of the letters in which Jane Austen revealed what little she did reveal about her art, were written to her two favourite nieces, Fanny and Anna and the latter's brother Edward.

By this time she was, in 18th-century terms, middle-aged and no longer trying so hard to hide her writing. However even this famous secrecy which might hold out some hope for the vicious neurotic theory turns out not to be the whole picture. Certainly she tried for a very long time to avoid recognition by the world, but almost from the beginning she real aloud her books to her intimate family circle.

Indeed David Cecil emphasises that far from her writing arising from a peculiarity in her nature, it was the summation of her very literary family background. Every child was expected to turn a great deal more than a pretty phrase. As he points out she had basically found "her voice" by her teens and by the age of 18, she had written her first short novel, *Catherine*. Although it took another 20 years for her talent to mature, her aims—to produce a social comedy—remained the same.

Perhaps the most interesting part of David Cecil's book is his examination of Jane Austen's family. It seems a pity, incidentally, that no family tree was added to the excellent and decorative pictures. As David Cecil comments, "Sons and daughters alike were cultivated and humorous and sociable." He might have added that, with the one exception of the not very black black sheep, Henry, they were also successful in worldly terms. The two youngest, in particular, distinguished themselves in the navy, Francis becoming Admiral Sir Francis Austen.

Even a glance at the number of large residences illustrated in this book makes the point that although Jane Austen herself lived a relatively simple, even, after her father's death, financially curtailed life, her connections were of the highest. She had no need to be overawed by Lady Catherine de Bourgh. Yet, in one important sense she did live the life of an outsider.

Jane Austen: voting for virtue

Although very close to many marriages and many children, she herself never married or had children. It appears she was in love but her lover died. She certainly was engaged but withdrew at the last minute. Was this from faithfulness to her dead lover? It seems unlikely as they'd only known each other for three weeks. Or was it from some deep engrained voyeurism which made her incapable of taking the plunge into life except on someone else's behalf?

As a great admirer of Jane Austen, the rounded human being, David Cecil suggests this possibility but only in the sense that a writer of genius knows instinctively that her first duty is to her writing. Jane Austen was leading a life perfectly suited to the creation of her novels. Therefore why should she change it? To most eighteenth-century women marriage opened the doors to a wider world. To Jane Austen it would have closed them.

Throughout *A Portrait of Jane Austen* David Cecil stresses approvingly that the eighteenth century was the Age of "Sense." He has written a very sensible book. Also a very enjoyable one. However, despite his many excellent points, I can't help feeling that Jane Austen has kept her secret still. As he admits, "she remains for me—as no doubt she would have wished—not an intimate but an acquaintance."

Selfless daughters, loving sisters and attentive aunts generally do not produce great works—even if they do come from a literary background and live in the eighteenth century. Or perhaps that viewpoint is merely evidence of my twentieth-century conditioning.

In short

All In The Day's March, by Maj.-Gen. David Belchem. Collins. £7.50, 320 pages

General Belchem's military career began under David Niven (his Term Under-Officer at Sandhurst), included several years' close association with Montgomery ("my companion of many battles") and ended with his own retirement from the Army as its youngest general.

As well as his military professionalism, Gen. Belchem has a good dash of "Nivenism" in his own nature. He relished the moment when an Italian general tells him: "If we could combine Italian fighting guts with the backing of English money, we could sweep through Europe."

He writes admiringly—and well—of Montgomery. But not without frank assessment. Monty's high-pitched English voice, he says, impressed U.S. newsmen as conceited and self-satisfied. They listened with an antipathy which found its way into the Press. When it came to the need for a Land Forces Commander, Europe, Eisenhower felt restricted by American public opinion in how far he could use Monty's talents in the common cause.

General Belchem's own choice for war correspondents, he writes, would be men of unexcitable disposition and high intelligence—not youngsters seeking advancement by exaggerated sensationalism.

Here is lucid narrative and first-hand description by a man who has had a lot of fun out of his job and one who knew exactly what he was doing—all the time.

JOHN DUNSTAN

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Growing up in Provence BY SARAH PRESTON

Susannah's Nightingales by Nicolette Devas. Collins, £6.50. 184 pages

The only Quaker meeting house in France belonged to the Majoliers, the family of Nicolette Devas on her mother's side. The author has used other parts of her family history to good effect before in *Two Flamboyant Fathers*, her account of life with her adoptive father, Augustus John, her sister and brother-in-law, Caitlin and Dylan Thomas, and her first husband, Anthony Devas, who died in 1958.

This story of a Quaker community in the heart of Catholic Provence is traced in an equally personal way. It is not claimed that the author makes a systematic examination of an historical curiosity. On the contrary, the unprofessional way Nicolette Devas went about her research and recounts her tale is what gives it charm. She has particular sympathy for her Irish grandmother, the Susannah of the title, who came from Cooper Hill, Limerick, and who married Edouard Majolier, known as Ted and himself the son of a Franco-English alliance.

Susannah brought to the Provençal house of Bel Ombre her Irish silver teapot, her tea-set from Barkers and built a summer pavilion in the shrubbery. It was through Quaker trading that the family's British connections were first established. Along the line we hear about Edouard père who, like some other Victorians in London, enjoyed a second, unofficial family round the corner from his legitimate one.

Nearer our time there is a vivid account of her cousin Christine Maroger managing the estate during the German occupation and giving refuge to two Jewish women in her half of the house—"I said they were my cousins"—while Germans were billeted in the other half.

Nicolette Devas was trained as an artist and she shows a painter's eye for the detail of a farmhouse kitchen or a wild garden. Her excitement and trepidation are affecting as she uncovers her own early years as well as her family's past in this unusual memoir.

BOOKS OF THE MONTH

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مكتبة الأصيل

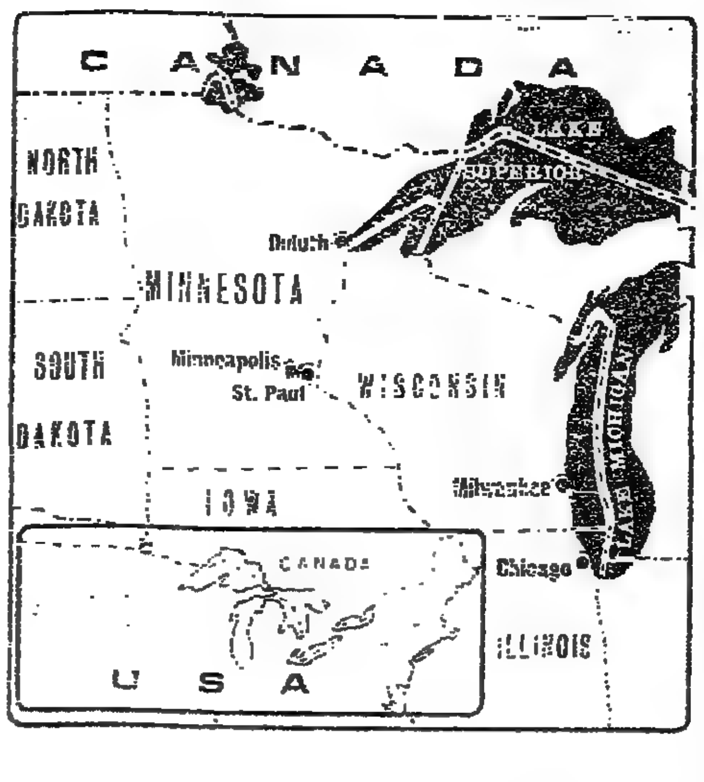
US MID-TERM ELECTIONS

Cosy political dealing fuels a backlash in Minnesota

BY JUREK MARTIN, U.S. Editor

POLITICAL BUFFS used to come to Minnesota to have their faith in the system restored. In few other states, it often seemed, was politics, with rare aberrations, more honourably practised to the clear benefit of the population. For 40 years, state power had alternated between the Independent Republicans, Harold Stassen and his heirs, progressive and moderate, and more frequently the Democratic Farmer Labor Party (DFL), the coalition that Hubert Humphrey put together at the end of the war, liberals in the most responsible sense of the word.

The DFL, in particular, has produced some notable national leaders—Mr. Humphrey himself, Mr. Orville Freeman, governor and agriculture secretary under Presidents Kennedy and Johnson, Mr Eugene McCarthy, standard bearer against the Vietnam war and, of course, Mr Walter Mondale, Senator and Vice-President. Under their guidance the state has prospered, weaning itself off its agricultural and iron ore base and becoming a truly diversified economy, intellectually stimulating with good food, theatre and music; Bob Dylan got his start in the coffee houses of St Paul and was back again this week to a triumphant return.



But this year it is rather different, and much more complex in its cast of characters. This year, the vogue words are negativism, cronyism and dirty tricks. The issues are mundane—tax cutting and budget trimming—and even bizarre—whether canoes or motorboats should be allowed to use the state's fabled Northern Lakes. Ideology has become muddled: one of the DFL senatorial candidates, Mr. Robert Short, is appreciably to the right of his Republican opponent Mr David Durenberger. Party discipline is threatening to go down the drain, with Liberal Democratic organisations endorsing a Republican. Vice-President Mondale is being frustrated in his peace-making efforts in the interest of party unity and President Carter has been booed for shaking hands with Robert Short.

Unusually, both Senate seats, plus the Governor's mansion are being contested next week. This is because of Mr Mondale's elevation and Mr Humphrey's death and it helps explain the current discontent. When Mr. Mondale became vice-president last year, the then governor, Mr. Wendell Anderson, exercising his prerogative, named himself to fill the unexpired term in the Senate and appointing his lieutenant-governor, Mr. Rudy Perpich to the State House. This is not uncommon, both in Minnesota and elsewhere. Mr Mondale, then state attorney general, was initially appointed to the Senate in 1964 when Mr Humphrey became vice-president. But on this occasion the cosy arrangement stuck in Minnesota's craw.

The most immediate victim of the backlash appeared to be Mr. Anderson who is popularly known as "Wendy" and is a former local ice hockey star. This summer, the polls showed him trailing Republican Mr. Rudy Boschwitz by over 20 points. Mr Boschwitz is very much a moderate Minnesotan Republican who showed his colour, for example, by declining to share a platform with Mr Ronald Reagan, darling of the Right. But the man who, in hindsight, can be said to have really suffered was the carefully groomed and designated heir apparent to the Humphrey seat, Mr Donald Fraser, one of the most able and liberal congressmen in Washington. In a staggering upset he lost the Democratic Senate primary to Mr Short, whom nobody would ever describe as a party faithful.

Bob Short is a rough, bluff businessman who has become a millionaire from hotels and trucking. He is remembered in Washington with unalloyed horror as the man who shifted the local baseball team to a suburb in Texas. Although personally close to Hubert Humphrey, his politics are of a different ilk, socially and economically conservative, but with a particular knack of appealing to blue collar workers, especially in the state's eastern "iron range." Working class Minnesotans like powerboats and snowmobiles, not environmentally preferable canoes and cross country skis, and he latched on to this but local issue with a vengeance. He directly courted Republicans, thus offending the state's highly developed sense of party discipline. It worked against Mr. Fraser and it presents his Republican opponent, Mr. Durenberger, with a problem, because Bob Short is clearly preempting a lot of his natural ground.

The latest polls show the two in a virtual dead heat thanks in good measure to the DFL support going to the Republican Mr Durenberger. The polls also show that Wendy Anderson has nearly caught up with Rudy Boschwitz. This, too, may be because the DFL, appalled by Mr. Short is determined to keep at least one faithful senator and is therefore rallying behind the reliable if uninspired Mr. Anderson. This may also explain why, in the gubernatorial race, Mr. Rudy Perpich, a more engaging, down-to-earth personality than the somewhat diffident Mr. Anderson is holding a useful and surprising lead over long term Republican Congressman Albert Quie.

Mr. Durenberger, Mr. Boschwitz and Mr. Quie, ideologically quite similar are in deft stroke. None is inclined to go the whole hog and parrot the currently voguish Republican tax cutting philosophy. Mr. Durenberger for example, has come forward with a complex proposal embodying part of the heavy tax cuts embodied in the Kemp-Roth Bill but leavened by indexation. But Mr. Short has no compunctions. He talks bluntly and in minimal detail of knocking $100bn off federal spending. The Republicans are disinclined to get into other hot issues like abortion. One by-product of this attitude is that they are less able to tap campaign funding which is abundantly available to conservative Republicans (and Democrats) from private sources. Money is no problem to Bob Short: of the $1.4m his Senate campaign has cost to date, $1.2m has come from his own wealthy pocket.

This barely touches the complex surface of Minnesota politics in 1978. If there is a national trend to be discerned, it lies in the success that Conservative Democrats may enjoy in the mid terms. In Illinois, moderate Republican Mr. Charles Percy may not fend off one unscrupulous conservative Democrat, Mr Alex Smith and in the Massachusetts governor's race the same is true. The intriguing thing is that in Minnesota, of all states, it should never have been dreamed of.

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WORLD STOCK MARKETS

Early losses reversed: up 6.15

INVESTMENT DOLLAR PREMIUM
\$2.60 to £1—77½% (78%)
Effective \$1.9830 35¾% (36¼%)

After a weak start on the heels of a larger than expected boost in the Prime Rate, Wall Street turned decidedly better yesterday, following the improved tone of the dollar and reduced unemployment.

The Dow Jones Industrial Average finished 6.15 up at 823.11, making a net rise of 17.06 on the week, while the NYSE All Common Index, at \$53.49, gained 29 cents on the day and 97 cents on the week. Rises led falls by 802-to-675, but the trading volume dropped 14.96m shares to 26.07m.

Analysts said the market's ability to move ahead despite the half point rise in prime rate by Citibank to 10¾ per cent was especially encouraging.

The huge \$5.4bn drop in the Weekly Money Supply might represent the first evidence that recent credit tightening efforts are having an effect. However, analysts cautioned the drop could easily be reversed next week.

U.S. unemployment fell to a seasonally adjusted 5.8 per cent in October from 6 per cent in September, the Labor Department said. Analysts said the fall could strengthen President Carter's hand in his anti-inflation fight. Council of Economic Advisors chairman Schultze said it proved the economy can withstand the Administration's anti-inflation moves.

Petroleums were strong. Exxon, the most active issue, climbed \$2¼ to \$52½. Atlantic Richfield \$¾ to \$53¾ and Texaco \$¾ to \$23¾. Mobil moved up \$2 to \$68¾—it said U.S. gasoline prices should rise 2 cents a gallon in December, aiding fourth quarter profits.

General Motors picked up \$¾ to \$60¾ but Ford Motor eased \$¾ to \$40¾, both in active trading. GM's late October car sales rose 16 per cent while Ford's fell 15 per cent. Chrysler gained \$¾ to to \$11½—it named former Ford Motor president Iacocca its new president and chief operating officer.

THE AMERICAN SE Market Value Index jumped 1.82 to 145.32, making a rise of 4.01 on the week.

F. W. Means lost \$¾ to \$19¾—its Board approved a merger offer of \$21.50 a share from a private investor.

CANADA — Generally higher 1354.7. Metals and Minerals shed levels developed in active trading, with the Toronto Composite Index rising 3.4 to 1234.3.

The Oil and Gas Index moved up 26.5 to 1555.1, Utilities firmed 0.43 to 188.14 and Banks 0.01 to 393.58. But Golds fell 23.7 to 2.0 to 1091.0 and Papers 2.82 to 143.80.

BP Canada eased \$¼ to \$18 on lower nine months earnings, while Falconbridge Nickel fell \$1 to \$34 although it trimmed its nine months loss.

PARIS—Generally lower.

Chemicals steady and Stores mixed, but all other French sectors weakened.

Air Liquide fell FFR 4 to 367 after announcing it will raise capital through a one-for-10 free share issue.

U.S. shares fell, Germans also lower, Canadians and Oils mixed. Golds steady. Coppers down.

BRUSSELS—Mixed in quiet trading.

Kredietbank shed BFr 10 to 7,150, despite "satisfactory" first half profits.

GERMANY—Mixed on profit-taking and position-closing ahead of weekend.

On Bond Market, Public Authority issues shed up to 35 pfenigs, while Regulating Authorities bought nominal DM 13.6m of stock. Mark Foreign Loans mixed.

AMSTERDAM — Prices closed with a lower bias in quiet trading.

Dutch International mostly off.

Bijenkorf and OCE-Van der Grinten, however, firmed Fls 2.30 and Fls 2.80 respectively.

JAPAN — Closed yesterday — Culture Day.

MILAN—Lower in thin and featureless trading.

Anic fell L10.75 to L32.75 in depressed Industrials.

SWITZERLAND—Steady with sentiment aided by stronger dollar, although buying interest faded ahead of weekend.

Small gains predominated among banks, but Swiss Volksbank held unchanged after its reported third quarter balance sheet decline.

Financials generally edged higher. Insurances fluctuated narrowly. Chemicals showed small gains, Engineering slightly higher.

AUSTRALIA—Resources stocks attracted most interest in generally firm but quiet markets.

Selected Coals rose, with White Industries 8 cents higher at A\$4.90, Howard Smith 10 cents at 4.10 and Thiess 3 cents at 3.15, but Utah fell 10 cents to 3.90.

Most Uraniums improved, despite lack of any statement from Northern Land Council.

JOHANNESBURG — Easier in moderate trading.

Mining Financials quiet but followed trend in Producers.

HONG KONG—Sharply lower on reduced turnover. Hang Seng Index fell 11.00 to 637.35. Profit-taking mainly local, but some European institutional selling also noted.

Indices

NEW YORK—DOW JONES

	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 27	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	823.11	816.96	827.79	792.45	811.85	806.05	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	86.52	86.62	86.67	86.70	86.89	87.24	90.88 (4/1)	86.37 (3/11)	—	—
Transport	216.84	215.04	219.05	208.71	215.04	212.26	261.49 (8/9)	[illegible] (9/1)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	98.51	98.49	98.56	97.55	98.07	98.02	110.98 (3/1)	97.55 (31/10)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	26,070	41,030	80,450	42,980	59,480	40,560	—	—	—	—

* Basis of Index changed from Aug. 24 ◆ Day's high 828.09 low 809.51

Ind. div. yield %	Oct. 27	Oct. 20	Oct. 13	Year ago (approx.)
	5.89	5.67	5.29	5.49

STANDARD AND POORS

	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 27	1978 High	1978 Low	Since Compilatn High	Since Compilatn Low
‡Industrials	—	106.60	107.76	105.42	106.81	104.85	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	—	95.61	96.85	95.15	96.03	94.59	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Nov. 1	Oct. 25	Oct. 18	Year ago (approx.)
Ind div. yield %	5.13	5.09	4.95	4.93
Ind. P/E Ratio	9.04	9.08	9.34	8.97
Long Gov. Bond yield	8.69	8.67	8.63	7.88

N.Y.S.E. ALL COMMON

Nov. 3	Nov. 2	Nov. 1	Oct. 31	1978 High	1978 Low
53.49	53.20	53.79	51.67	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Nov. 3	Nov. 2	Nov. 1
Issues traded	1,879	1,906	1,929
Rises	802	657	1,506
Falls	675	879	241
Unchanged	402	373	182
New Highs	nil	7	3
New Lows	nil	136	75

MONTREAL / TORONTO / JOHANNESBURG and overseas indices

[illegible]

FRIDAY'S ACTIVE STOCKS

[illegible]

F.T. CROSSWORD PUZZLE No. 3,814

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday. ...

Name ....

Address ....

....

ACROSS

1 Completely lacking 12th man (7, 7)
10 Behind a sailor with a short measure (5)
11 Shares room with twice as much to eat in the evening (7, 2)
12 Not one of them comes in three varieties (7)
13 Colander for artist in refreshment car (7)
14 Exclude rep from rebuke about fish (5)
16 Dismissed mechanic fits attachment to rowing boat (9)
19 Confection from a charming joint maybe (9)
20 Refusal by Frenchmen to notice vagrant (5)
22 Truly is hot on reform (2, 5)
25 Immediate tick (7)
27 Proceed without help from Ealing too (2, 2, 5)
28 Meals have a point for a joker (5)
29 An optician needs the commercial flair (3, 3, 8)

DOWN

2 Fashionable article one friend found lifeless (9)
3 Hold up had bad effect on central heating (5)
4 Rare for Neath to get swindled (9)
5 Eighteen holes made by one bullet (5)
6 Army to the rescue (9)
7 Sticky stuff about to go wrong (5)
8 Sovereign given for piano concerto (7)
9 Hide processor from sunbather (6)
15 Awkward matter possibly appearing in jacket at dinner (3, 6)
17 Shabby state of satin test revealed (9)
18 Radiation seen before coming to the delta (5, 4)
19 Unmarried hothead taken in by hairstyle (7)
21 The pundit be read showed a tendency to waver (6)
23 Beasts taking seconds over drink (5)
24 Kind of lead to unruly mob's weapon (1-4)
26 Attacked when money turned up (3, 2)

Solution to Puzzle No. 3,813

SOLUTION AND WINNERS OF PUZZLE No. 3,808.

Following are winners of last Saturday's prize puzzle:

Mr. A. B. Innes Dick, Clifford Chambers, Stratford-upon Avon, Warwickshire.

Mr. P. Harper-Bill, 81, Travellers Way, Hounslow, Middx.

Mr. J. Walters, 24, Cedar Grove, North Runcton, Kings Lynn.

RACING BY DARE WIGAN

Sanedtki looks good for Sprint Cup

IF THE bookmakers are correct in their thinking, the Vernons Sprint Cup, a Group Two event with £25,000 added run over six furlongs at Haydock this afternoon, lies between Vaigly Great and the French filly Sanedtki.

Whether they are right to discard Boldboy, who won the race last year, remains to be seen. Possibly they are. At the age of eight, Lady Beaverbrook's staunch campaigner may just have lost the edge to his speed, though none of his determination.

As between Vaigly Great and Sanedtki, the former will have the soft ground that is essential for him, as when he cruised home in the Burmah Castrol Ayr Gold Cup with 9 st 6 lb in the saddle and, before that, in the Northumberland Trophy at Newcastle.

But how do those performances, good as they are, compare with Sanedtki's close second to Solinus in the William Hill July Cup at Newmarket and her emphatic defeat of Homing in the Prix du Moulin de Longchamp?

Because of the conditions of today's race, Sanedtki receives 1 lb from her younger rival, and I bank on her proven class in group races to see her through.

I was at Ascot on September 29 when Hadon, a bay colt by Habitat, who cost 43,000 guineas as a yearling, was heavily backed to win the Michael Sobell Stakes. In the event, he failed by three-quarters of a length to catch the experienced Celtic Halo. Today I consider that, barring accidents, he will be too good for the opposition in the Bury Maiden Stakes.

At Newmarket, the principal feature of the programme is the Irish Sweeps Autumn Handicap for three-year-olds and upwards, run over one-and-a-quarter miles. Here, in the absence of Hatched, I suggest Fine Blue as the likely winner. P. Makin's colt requires strong handling, and Piggott rides.

At Sandown, the Marlow Ropes John Skeaping Hurdle lies between Kybo and the ex-New Zealand gelding, Grand Vanyon. With the benefit of a winning reappearance at Kempton a fortnight ago, Grand Canyon looks best.

HAYDOCK
1.15—Hadon***
1.45—Fair Season
2.15—Sanedtki**
2.45—Paul Stuart
3.45—Gin and Lime

NEWMARKET
2.15—Fair Mark
2.45—Fine Blue
3.45—Bill's Treble

SANDOWN
1.00—Stonepark*
1.30—Menehall
2.00—Grand Canyon
3.00—Dukery

IBM Nigeria

NIGERIA has accepted in principle a plan for IBM to enter a joint venture with Nigerian interests in a company to be called Data Processing Maintenance and Services, writes our Financial Staff.

IBM is to hold 40 per cent of the shares in the company, which will provide maintenance for IBM data processing equipment as well as data centre service and DP systems engineering support.

In line with the plan—formed in response to the Nigerian Enterprises Promotion decree of 1977, IBM intends to appoint a DP sales agent in Nigeria, and to continue discussions regarding a local dealership for the company's office products.

SPAIN

November 3	Per cent	
Asland	122	—
Banco Bilbao	287	—
Banco Atlantico (1,000)	239	—
Banco Central	305	−3
Banco Exterior	270	−2
Banco General	258	—
Banco Granada (1,000)	148	—
Banco Hispano	263	−4
Banco Ind. Cat. (1,000)	182	—
B. Ind. Mediterraneo	183	—
Banco Madrid	239	−2
Banco Popular	255	−4
Banco Santander (250)	342	−4
Banco Urquijo (1,000)	323	+6
Banco Vizcaya	254	—
Banco Zaragozano	258	−4
Bankunion	137	+2
Hidrola	70.50	−1.50
Iberduero	66	−2
Olarra	65	−3
Papeleras Reunidas	39	—
Petroliber	120	—
Petroleos	182	—
Sarrio Papelera	59	—
Sniace	61	—
Sogefisa	127	—
Telefonica	77	+1
Torras Hostench	76	−2
Tubacex	66	−2
Union Elec.	65	−2

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[illegible]

مكتبة من الأصل

Paris Club moves to ease Peru debt

BY ROBERT MAUTHNER

PARIS, Nov. 3.

CREDITOR NATIONS of the so-called "Paris Club" agreed here today on a substantial easing of some of Peru's Government-backed debt, the French Finance Ministry announced.

Though details of the new arrangement were not immediately available, Peru had made it clear at the beginning of the meeting that it was seeking to transform $550m of Government-backed debt falling due in 1979 and 1980 into a nine-year credit with three years' grace.

Altogether, Peru's short-, medium- and long-term debts, including private credits, currently total $8.2bn.

Earlier this week, Peru reached a broad agreement with international banks in New York on the re-scheduling of $700m of commercial debt maturing in 1979 and 1980. The debt falling due with commercial banks in these two years will be consolidated into an eight-year medium-term credit with three years' grace. The interest rate was not specified but is reported to be favourable.

The new arrangement with the commercial banks is due to be finalised at a further meeting in New York on November 6 and 7.

Amex fixes move to Manhattan

NEW YORK, Nov. 3.

THE American Stock Exchange has accepted a New York State offer to build and lease to the exchange a new "home" in central Manhattan. Under the plan, Urban Development Corporation, a state construction-finance agency, will erect a $10m building and lease it to the state, which in turn, will lease it to the Amex for 25 years at a rental of $2.6m annually.

Almost immediately, industry sources have predicted that the move will lead to Wall Street firms bringing pressure on the New York Stock Exchange to revive long-dormant merger talks with the Amex.

The reasoning is that a joint new home could also meet the economic requirements of the NYSE, while reducing duplicate costs borne by member firms in supporting the two exchanges.

AP-DJ

Flick's Gerling majority stays

BY ADRIAN DICKS

BONN, Nov. 3.

THE FLICK GROUP, West Germany's largest privately-controlled holding company, has finally resolved its differences with Herr Hans Gerling, and has consolidated its majority position in the Gerling insurance concern.

A special shareholders' meeting of the Gerling group decided early today that the Zuerich Insurance Company's 25.1 per cent stake in the Gerling holding company, GKB, will be transferred for an undisclosed price to the Versicherungs-Holding der Deutschen Industrie (VHDI). The VHDI, in which Flick acquired a majority last spring, in turn has 25.9 per cent of GKB.

Herr Gerling himself, who still holds 49 per cent of the group he built up, had been attempting through the courts to fight off Flick and to exercise an option to buy the Zuerich's package for himself.

Today's agreement confirms Flick's control over the Gerling group, but it also gives some satisfaction to Herr Gerling by confirming him as chairman of the executive board until June 30, 1981.

The main thrust of today's statement is to pledge Flick and Gerling to withdraw the various legal actions still pending, and to commit them to "long-term, constructive co-operation." Their first such decision was to agree on an increase in GKB's basic capital from DM80m ($42.78m) to DM 140m, at a premium of 115 per cent.

Setback for Premier Milling

BY RICHARD ROLFE

JOHANNESBURG, Nov. 3.

PREMIER Milling, which dominates the South African food and feeds market with the rival group, Tiger Oats, ran into difficult trading conditions in the six months ended September 30 and profit margins deteriorated sharply. Though turnover rose from R338m to R375m ($431m) gross profit (after depreciation but before interest) fell from R23.7m to R22.1m. Margins were, therefore, down from 7 per cent to 5.9 per cent, continuing the decline seen in recent trading periods.

At the pre-tax level the decline was steeper because of a higher interest burden, up from R5.5m to R7.5m and pre-tax profits fell from R18.1m to R14.6m. With a lower tax charge, however, there was some cushion to the decline in earnings per share, which was from 44.6c to 35.6c. The interim dividend was held at 15c. The shares, partly reflecting the general setback on Johannesburg on the lower bullion price and oil supply fears, were 35c down at 580c, yielding 5.6 per cent.

Premier Milling, which is a subsidiary of Associated British Foods, has been one of the few blue chip industrials whose shares have made little progress in the bull market of recent months and signs have developed that a rerating is in progress. Lack of dividend growth in recent financial periods on the scale demanded by the group's premium rating has led the share price to decline relative to the market. On the present yield, still a full two points below the industrial average, there is clear scope for rerating to continue unless a revival of profits growth can be achieved.

Excess capacity and over supply in various important areas, particularly the egg, feeds and poultry divisions, appear to be at the heart of the latest profit decline, while the board also blames the cost of financing higher turnover attributable to state-controlled price increases. However, more stable conditions have begun to emerge and the Board thinks that profits should not be materially different, over the full year, from those of the year to last March 31.

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Svenska Varv sees lower loss this year

By William Dullforce

STOCKHOLM, Nov. 3.

SVENSKA VARV, the Swedish state shipbuilding company, made a pre-tax loss of SKr 1.53bn ($360m) during the first eight months of 1978 and expects a deficit of SKr 2.1bn for the full year, which would be an improvement of SKr 142m over the loss the group sustained in 1977.

By the end of the year, Svenska Varv will have consumed the SKr 4.6bn capital it has received from the Government since it was established in July, 1977. The shipyard Bill tabled by the new Liberal Minority Government earlier this week proposed that the company be given a further capital injection of SKr 2.2bn to see it through to the end of 1979.

The SKr 1.53bn loss includes some currency losses and claims on customers which the company does not expect to be met. The loss before financial items comes out at SKr 1.1bn, of which SKr 670m derived from the three large newbuilding yards, Arendal, Oeresund and Uddevalla. The ship repair operations have also been making losses.

The interim report notes that the order intake has grown during the eight months compared with last year. The strengthening of the yen has improved the Swedish yards' competitive position against the Japanese, and shipping freight rates have also risen this autumn.

But, the company adds, "this has not changed our assessment that the yards building new ships can only compete in a few small market segments for specialised vessels."

New record in EOE turnover

By Our Own Correspondent

AMSTERDAM, Nov. 3.

TURNOVER ON the European Options Exchange rose to a new record of 11,217 contracts in the week ended yesterday, from 10,805 in the preceding week. Premiums fell at first in line with stock prices, but recovered on Wednesday after President Carter announced measures to support the dollar the EOE said.

Options on Dutch shares were the five most heavily traded, led by Philips, which traded 4,833 contracts, with most of the interest for the "out of money" series. It was followed by KLM with 1,921 contracts and Akzo with 1,365.

NMB plans Fl 125m debenture issue

BY CHARLES BATCHELOR

AMSTERDAM, Nov. 3.

HOLLAND'S FOURTH largest bank, Nederlansche Middenstandsbank (NMB), plans to raise Fl 125m ($62m) through a debenture issue, reaffirming at the same time its forecast that 1978 net profits will rise at least 16 per cent—equal to the rate of increase in the first half. The loan will carry a coupon of 8½ per cent and run for 15 years, with the price to be announced on Wednesday.

NMB's forecast implies a net profit of Fl 114m ($56m) after Fl 98.2m in 1977, when profits rose by 26 per cent. The bank's interest margin improved slightly in the third quarter, but this follows a relatively narrow margin in the first half of the year which was on average smaller than in 1977.

A forecast for the second half of the year is difficult because of the disturbed state of the money and foreign exchange markets in the last part of the third quarter.

The bank made a net profit of Fl 56.4m in the first half of 1978 compared with Fl 48.8m in the same period of 1977. Lending rose by 34 per cent in the first half, while borrowings rose by 24 per cent.

NMB wants to strengthen its longer-term assets in view of the continuing growth of lending in particular of medium-term credits. Long-term borrowing may be used for lending over and above the limits laid down by the Central Bank, NMB noted in the debenture issue prospectus.

Kredietbank confident

BY GILES MERRITT

BRUSSELS, Nov. 3.

KREDIETBANK, the major Belgian bank, announced a further substantial increase in its balance sheet, and said it was confident about profit prospects. For the half-year ended September 30, the balance sheet totalled BFr 352.3bn ($12bn), an 8.1 per cent increase over the level reached at the close of its 1977-78 full financial year on March 31, and an 18.6 per cent rise during the 12 months to end-September.

In June this year, when Kredietbank announced a dividend increase from BFr 265 to BFr 290 per old share, and a payment of BFr 145 on its new shares, the bank's balance sheet had increased by 15.2 per cent during the year ended March 31.

Kredietbank said it looks forward to its overall 1978-79 financial results "with confidence." But it emphasised that further satisfactory results would depend on cost increases remaining within "reasonable limits."

Kredietbank is very much the financial flag-carrier of Belgium's Flemish business community and has in recent years recorded consistent growth. In March 1978 it reported a rise of 21 per cent in pre-tax profits to BFr 2.06bn on an overall balance sheet that totalled BFr 244.5bn.

Del Monte and Reynolds deal

SAN FRANCISCO, Nov. 3.

DEL MONTE Corporation and R. J. Reynolds Industries Inc announced that they have signed a definitive agreement providing for the previously announced merger of Del Monte into a wholly-owned subsidiary of Reynolds.

Under the terms of the agreement about 45 per cent of the outstanding Del Monte common stock will be converted into a right to receive $48.50 a share in cash in the merger, and about 55 per cent of the Del Monte common will be converted on a share for share basis into a new Reynolds non-convertible voting cumulative preferred stock.

The dividend rate on the Reynolds preferred stock will be determined just before the mailing of the proxy materials in connection with the special meeting of Del Monte shareholders which will be called to approve the merger.

AP-DJ

Poseidon plans gold-based comeback

By James Forth

SYDNEY, Nov. 3.

POSEIDON, the once-obscure Australian mineral explorer which sparked off a mineral boom with a nickel discovery at Windarra in Western Australia late in 1969, only to plunge into receivership in 1976, is planning a comeback—based on gold.

Within a few months of the Windarra nickel find, Poseidon shares soared from less than A$1.00 to A$280. When the company went into receivership, because of the depressed state of the nickel market, the share price was only 70 cents.

The comeback has nothing to do with nickel. In fact, Poseidon's interest in Windarra was sold to the Shell group, but production is currently suspended.

Poseidon's only asset is a 47 per cent interest in Kalgoorlie Lake View, which through Kalgoorlie Mining Associates has a 52 per cent stake in the Mt Charlotte gold mine and in the inoperative Finniston mine. Mt Charlotte is reported to be doing well out of current prices for gold.

The directors of Poseidon said today that negotiations had been held with the Adelaide Stock Exchange for the relisting of the company's shares. This would depend on withdrawal of the receiver. Negotiations with the Australian Industry Development Corporation, which appointed the receiver, were nearly finalised and their agreement was expected. Shareholders were advised not to dispose of their shares.

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COMMODITIES/Review of the week

Currency movements dominate

BY OUR COMMODITIES STAFF

CURRENCY FLUCTUATIONS—in particular the spectacular recovery in the value of the dollar against sterling — were the dominant influences in the London commodity markets this week.

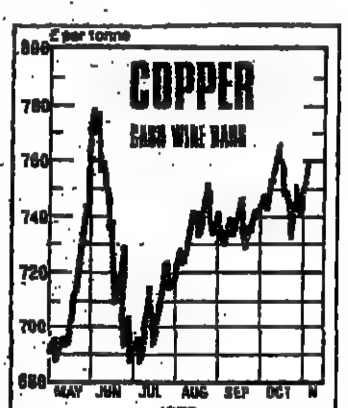
The sudden rise in the dollar, following President Carter's announcement of measures to defend its value, created considerable confusion and the markets remain very unsettled.

Platinum was most affected. The free market price fell to £174.90 an ounce, after reaching an all-time peak of £187.90 earlier in the week. In contrast silver, which has not attracted the same kind of speculative investment buying interest, ended the week virtually unchanged despite the steep fall in the gold price.

Base metal values were generally higher after the rise in the dollar. Copper cash wirebars, for example, having fallen to £740 earlier in the week rallied strongly to close last night at £759 a tonne, £16.5 up on a week ago.

The market fluctuated wildly, with arbitrage between the London and New York markets virtually at a standstill as traders tried to work out the different movements in the markets.

A higher dollar, and lower sterling, should mean a rise in London prices bearing in mind that metals are primarily dollar based. But the fall in the precious metals, expected reduction in speculative hedging against the decline in the dollar, and concern about the effect of the new measures on the U.S. economy caused some concern.



Copper producers in London for the annual Metal Exchange dinner and negotiations of next year's supply contracts confirmed that they are seeking better terms from consumers in view of the shortage of concentrates and good quality brands.

Asarco declared a 40 per cent cutback in deliveries to Europe from its refinery in Peru, and strikes continue in Canada at International Nickel Sudbury complex, which also produces copper, and Noranda's Gaspe mine.

Tin prices reached new all-time peaks in London and Malaysia. The cash prices in London breached the £8,000-a-tonne mark for the first time to reach £8,090 on Thursday. But expectations of a stox rise, rather than decline, brought an easier tone yesterday and it closed £85 down at £8,005 a tonne, still £185 up on the week.

The currency fluctuations were also a dominant influence in the "soft" (non-metal) commodity markets. Traders reported that there was considerable uncertainty about the repercussions resulting from the rise in the dollar against other currencies, and prices in London and New York often moved in opposite directions.

World sugar values moved erratically. The market was encouraged by predictions of supply and demand moving into balance next year, and U.S. moves to curb imports from non-members of the International Sugar Agreement. But India's emergence as a seller of 60,000 tonnes, and further EEC exports, was a depressing influence.

Cocoa prices were higher. The rise was mainly a reaction against the previous week's decline and a forecast of a supply deficit in the coming season by a London broker. Coffee was also higher, reflecting the reduced value of sterling against the dollar.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Wheat					
No. 1 Red Spring	£95	-1.25	£94.0	£98.5	£85.5
Am. Hard Winter (Oct.)	£84	-2.75	‡	£91.5	£80.75
Eng. Milling	£81.5	—	£91	£105	£89.5
Spices					
Cloves	£3,970	—	£5,000	£5,000	£3,900
Pepper, white	£2,850	-25.0	$3,025	$3,300	$2,575
Black	$1,800	+25.0	$2,300	$2,400	$1,575
Oils					
Coconut (Phil)	$820	-20.0	$490	$810	$552.5
Groundnut	‡	—	£547	£770	£587
Linseed, Crude	£351	+25.0	£265	£350	£256
Palm Malayan	$617.5	-17.5	$425	$646	$495
Seeds					
Copra Philippines	$600	-10.0	$336	$610	$372.5
Soyabeans (U.S.)	$269	-1.0	$210.5	$315	$254
Other commodities					
Cocoa Shipment	£2,048	+17	£2,441	£2,153	£1,511
Future 2nd pos	£2,002.5	+26.0	£2,050.5	£2,002.5	£1,435.5
Coffee Future Jan.	£1,488.5	+34.5	£1,528	[illegible]	£1,092
Cotton Index	78.1c	-0.15	69.45c	78.95c	61.80c
Dess. Coconut	£845	—	£730	[illegible]	£505
Jute UA BWC grade	$601	—	$435	$616	$457
Rubber kilo	65.75p	+1.5	54p	64p	46.5p
Sago Pearl	£176	—	£192	£180	£171
Sisal No. 3	$525.30	-2.5	$550.70	$560	$530
Sugar (Raw)	£106	-1.0	£96	£114	£91
Tapioca No. 1	£155	—	£158	£120	£112
Tea (quality) kilo	140p	-10.0	158p	160p	127p
(plain) kilo	85p	+4.0	96p	98p	60p
Wool tops 64s Warp	274p kilo	+1.0	279p kilo	[illegible]	[illegible]

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Metals					
Aluminium	£710	—	£680	£710	£680
Free Market c.i.f.	$1,065/85	+20.0	$820/60	$1,075	$800
Antimony (99.6%)	£1,520	—	£2,150	[illegible]	£1,525
Free Market (99.5%)	$2,550/625	+17.5	$2,400/750	$2,682.5	$2,125
Copper					
Cash Wire Bars	£759	+16.5	£680.5	£775.5	£612
3 mths Do. Do.	£779.75	+16.5	£696.25	£796.75	£624.75
Cash Cathodes	£746.5	+15.5	£670.5	£772.5	£602.5
3 months Do.	£767.5	+15.75	£686.75	£795.5	£618.75
Gold per oz	$215.375	-19.0	$160.875	$245.125	$166.125
Lead Cash	£434	+6.0	£361.5	£436.5	£278.25
3 months	£418.5	+10.25	£357.375	£418.5	£289.25
Nickel	‡	—	‡	£2,566	£2,066
Free Market c.i.f. lb.	$1.75/85	—	$1.50/2.0	$2.0	$1.775
Platinum per oz	£142	—	£94/99.5	£142	£96
Free Market per oz	£174.9	-4.4	£99.85	£187.9	£96.4
Quicksilver (76lbs)	$122/27	+2.0	$150/60	$152.5	$122.5
Silver per oz	295.25p	-1.95	271.5p	302.1p	250p
3 months per oz	300.25p	-2.25	275p	309.70p	255.9p
Tin cash	£8,005	+162.5	£7,075	£8,090	£5,690
3 months	£7,785	+147.5	£6,960	£7,845	£5,717.5
Tungsten Ind.	$143/71	+2.36	—	$145.71	$134.25
Wolfram 22.04lb	$143/48	+1.0	$172/78	$172.5	$130.5
Zinc cash	£353.75	-2.25	£291.25	£378	£285.25
3 months	£364.75	-2.75	£297.25	£381.75	£257.75
Producers	$750	—	$700	$675	$650
Grains					
Barley Home Futures	£82.5	-0.05	£80.75	£91.75	£70.05
Maize					
French No. 3 Yellow (American)	£103.75	-1.25	£98.25		[illegible]

‡ Unquoted. * Nominal. g Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Higher on the London Metal Exchange as the market continued to adjust to currency movements. Although forward metal went down from £778 to £774.5 during the morning, it responded to the steady Comex performance by rallying to close on the Kerb at £782. The net gain on the week was £18.5. Turnover: 33,500 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	754-.5	+10.5	758.5-9.5	+7
3 months	774.5-5	+10.2	779.5-80	+6.5
Settlem't	754.5	+10.5	—	...
Cathodes				
Cash	741-.5	+5.5	746-7	+7.5
3 months	761.5-2	+6.5	767-8	+7.25
Settlem't	741.5	+5.5	—	...
U.S. Prod.	[illegible]		*72	...

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £753.5, 54, three months £776, 75.5, 75, 74.5, 74, 74.5, 75. Cathodes cash £741, three months £762, 61.5. Kerb: Wirebars three months £774.5, 75, 75.5, 76, 77. Afternoon: Wirebars, early November £756, three months £779, 79, 79.5, 78, 79, 79.5, 80. Cathodes, cash £746. Kerb: Wirebars, three months £779.5, 79, 80, 79.5, 80, 80.5, 81, 80.5, 81, 81.5, 82.

TIN—Lost ground but trading was modest. The East was unchanged overnight. Forward metal started steadily at £7,845, but selling pressure, mainly of a book-squaring nature, caused a decline and the price touched £7,790 before advancing to close on the Kerb at £7,810. The net gain on the week was £147.5. Turnover: 1,265 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	8030-50	-20	8000-10	-85
3 months	7460-60	-20	7810-30	-65
Settlem't	8050	-20		
Standard				
Cash	8030-50	-15	8000-10	-85
3 months	7815-20	-5	7780-90	-60
Settlem't	8050	-10		

Aluminium	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£		£	
3 months	608.5	-1	608.5-9	-.75

SILVER

Silver was fixed 1.65p an ounce lower for spot delivery in the London bullion market yesterday at 293.25p.

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. close	+ or −
Spot	293.25p	-1.65	294.9p	0.6
3 months	300.25p	-1.7	301.65p	0.9
6 months	308.45p	-1.6	—	...
12 months	324.5p	-1.85	—	...

COCOA

Values traded within a narrow range in quiet conditions, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
Dec.	1962.0-64.0	-5.5	1971.0-1953
March	2002.0-05.0	-2.25	2010.0-1990
May	2038.0-39.0	+1.0	2043.0-2025
July	2042.0-45.0	+2.0	2046.0-2032
Sept	2037.0-38.0	+0.5	2040.0-2030
Dec.	2005.0-09.5	+0.75	2005.0
March	1990.0-94.0	+2.25	2000.0-1984

COFFEE

RUBBER

SOYABEAN MEAL

SUGAR

GRAINS

MEAT/VEGETABLES

WOOL FUTURES

December	228.0-31.0	+2.5
March	235.0-36.0	..
May	234.0-37.0	..
July	230.0-39.0	.....
October	230.0-38.0	....
December	233.0-41.0	
March	235.0-45.0	-2.0
May	238.0-46.0	

Sales: Nil (same) lots of 1,500 kg.

INDICES

FINANCIAL TIMES

Nov. 3	Nov. 2	Month ago	Year ago
267.18	266.93	257.69	236.70

(Base: July 1, 1952 = 100)

REUTERS

Nov. 3	Nov. 2	Month ago	Year ago
1531.6	1526.9	1511.3	1467.8

(Base: September 18, 1931 = 100)

DOW JONES

Dow Jones	Nov. 3	Nov. 2	Month ago	Year ago
Spot	395.35	395.12	380.12	373.87
Futures	393.49	393.23	383.52	314.53

(Average 1924-25-26 = 100)

MOODY'S

Moody's	Nov. 3	Nov. 2	Month ago	Year ago
Sple Commty	983.5	983.5	970.4	[illegible]

(December 31, 1931 = 100)

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.20-£5.40, codlings £5.00-£5.80; large haddock [illegible], medium [illegible], small [illegible]; best small plaice [illegible]; large skinned dogfish £7.50, medium £5.50; [illegible]

U.S. Markets

Gold slips; copper weakens

This week's SE dealings

Friday, November 3	4,683	Wednesday, November 1	4,337	Monday, October 30	4,337
Thursday, November 2	5,106	Tuesday, October 31	4,638	Friday, October 27	4,870

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

• Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malaysian; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (755)

2½pc Anns. 19⅝⊕ (2/11)
3pc British Transport 62⅛⊕
2½pc Consd. Stk. 19¹⁵⁄₁₆ 20
4pc Consd. Ln. 32⅛⊕ 2⊕
3½pc Conv. Ln. 34⊕ 4
13¼pc Excheq. Ln. 100⊕
3pc Excheq. Stk. 1981 86
3pc Excheq. Stk. 1983 81
8¼pc Excheq. Stk. 91⅛⊕
8¾pc Excheq. Stk. 88⅛⊕
9¼pc Excheq. Stk. 90⅛⊕
9½pc Excheq. Stk. 93⅛⊕
10pc Excheq. Stk. 93⅛ 90⊕ 90 3½ 4 3½ 90
10½pc Excheq. Stk. 85
10¼pc Excheq. Stk. 95⅛⊕
12pc Excheq. Stk. 1998 92¾
12pc Excheq. Stk. 1999-2002 95⅛⊕
12pc Excheq. Stk. 2013-17 96⅛⊕ 7
12¼pc Excheq. Stk. 97⅛
12½pc Excheq. Stk. 98⅛⊕
12¾pc Excheq. Stk. 100⅛⊕ 1
13pc Excheq. Stk. 101⅛⊕ 19-64thsⓈ
5½pc Funding Ln. 93⅛⊕ 4½ 3
5¼pc Funding Ln. 64⊕ 4 3½ 4
6pc Funding Loan 60⅛⊕ 1 60
6½pc Funding Loan 76⅛⊕ 7½ 6
3½pc Funding Stk. 36⅛⊕
5½pc Funding Stk. 1982-84 82⅛⊕
5pc Treasury Ln. 59⅛ 60½ 60
7pc Treasury Ln. 81⅛⊕ 80 1 80
7¾pc Treasury Ln. 64⊕
8pc Treasury Ln. 66⊕
8¼pc Treasury Ln. 80⅛⊕
9pc Treasury Ln. 1980 92 90⅛⊕ 90
8½pc Treasury Ln. 1984-86 88⊕ 7½ 8½
8¾pc Treasury Ln. 74
9pc Treasury Ln. 1994 76⅛⊕
9pc Treasury Ln. 1992-96 76⅛⊕
9½pc Treasury Ln. 80½
12pc Treasury Ln. 98⅛⊕ 59-64thsⓈ 31-64thsⓈ 8 9
12½pc Treasury Ln. 100
12¾pc 1992 101
12¾pc Treasury Ln. 1995 98⅛⊕ 7 8
13¼pc Treasury Ln. 104⅛⊕
13¾pc Treasury Ln. 103⅛⊕
14½pc Treasury Ln. 111⅛⊕
15¼pc Treasury Ln. 113⅛⊕ 12⅛⊕

Warwickshire 12¾pc 100⅛⊕ (2/11)
Wes. Brom. 5¼pc 95 (30/10)

SHORT DATED BONDS
FREE OF STAMP DUTY

8¼pc Bds. Reg. (6/12/78) 99¹¹⁄₁₆
11pc Bds. Reg. (11-4-79) 101.947 101.952 101.949 (2/11)
8¾pc Bds. Reg. (2/5/79) 98
9¾pc Bds. Reg. (6/6/79) 99⅛⊕
10¼pc Bds. Reg. (13/6/79) 98⅛⊕
9¾pc Bds. Reg. (20/6/79) 98
9¼pc Bds. Reg. (27/6/79) 98
10½pc Bds. Reg. (4/7/79) 99½
10¼pc Bds. Reg. (11/7/79) 98⅛⊕
10pc Bds. Reg. (18/7/79) 98 (31/10)
9½pc Bds. Reg. (1/8/79) 98 (2/11)
9¼pc Bds. Reg. (8/8/79) 98 (2/11)
9¾pc Bds. Reg. (15/8/79) 98 (2/11)
9¾pc Bds. Reg. (5/9/79) 98½
10¼pc Bds. Reg. (17/10/79) 99 (30/10)
11pc Bds. Reg. (24/10/79) 99½ (31/10)
10¾pc Bds. Reg. (31/10/79) 100 (30/10)
11¼pc Bds. Reg. (7/11/79) 100
9¼pc Bds. Reg. (10/9/80) 96 (31/10)
9¼pc Bds. Reg. (15/10/80) 95 (2/11)
11¼pc Bds. Reg. (27/5/81) 97½ (30/10)

PUBLIC BOARDS (23)

FREE OF STAMP DUTY

Agricultural Mort. Cpn. 4½pcDb. 1961-1991 50. 5pcDb. 1959-89 60¼ (31/10). 6½pcDb. 62½. 7¼pcDb. 1981-84 82¼ (31/10). 9½pcDb. 1981-83 90 (31/10). 9½pcDb. 1983-86 84 (1/11). 9¾pcDb. 82¼ (31/10)
Finance for Industry 13pcLn. 100. 14pcLn. 101½
Metropolitan Wtr. Board 3pc(B) 27½. East London 3pcDb. 23⊕. Southwk Vxhall 3pcDb. 22⊕
Northern Ireland Elec. 7½pcGtd. 79

COMMONWEALTH GOVTS. (20)

REGISTERED AND INSCRIBED STOCKS

Aust. (Commwlth) 5½pcRg. (1976-79) 99¼ (30/10). 5½pcRg. (1977-80) 94¼ (2/11). 6pcRg. (1977-80) 88 91 9. 6pcRg. (1981-83) 77¼. 7pcRg. (1979-81) 88½ (30/10)
Jamaica 8½pc (1981-83) 81¼ (1/11)
Kenya 5pc (1978-82) 78⊕
New Zealand 4pc (1976-78) 100 6pc (1976-80) 93⅛⊕ (2/11)
Sthrn. Rhodesia 2½pc (1965-70) 55. 3pc (1971-73) 59 8½ 3 pc (1980-85) 39½ 40½. 4pc 67 (31/10) 4½pc 61⊕ 1. 4½pc (1987-92) 41 39½. 5pc (1975-80) 78 (31/10). 6pc (1976-79) 87⊕

COMMONWEALTH CORPS. (—)

Calcutta 40 (30/10)

FOREIGN STOCKS (2)

FOREIGN CORPS. (—)

UK RAILWAYS (—)

FOREIGN RAILWAYS (1)

BANKS (152)

CORPORATIONS (38)

FREE OF STAMP DUTY

South Tyneside 95⊕ (2/11)
Southend-on-Sea Borough Council 93
Southend-on-Sea Corp. 9¼pc 97⅛⊕ (2/11)
Southwark 6½pc 75 3 (30/10). 9¾pc 97½ (2/11). 11¾pc 93¼. 12½pc 1V Pd. 97⊕. 12½pc (£50 Pd.) 47⅛⊕. 15pc 103½ (2/11)
Stirling 7½pc 98½ (31/10)
Stockport (Met. Borough) 12½pc 98⅛⊕
Strathclyde Variable Rate (10 3125pc) 97 (1/11)
Sunderland Corp. 5½pc 87⅛ (1/11)
Surrey 8pc 92⊕ (2/11)
Swansea Corp. 9½pc 95 (30/10)
Tyne and Wear 12pc 94
Walsall 6½pc 97. 9½pc 97⅛ (2/11)

BREWERIES (149)

Bass Charrington Brewers 7½pcLn. 59¾
Belhaven (25p) 44⊕
Bell (50p) 228
Boddingtons (25p) 91 (2/11)
Brown (25p) 114⊕
Buckley's (25p) 49 (1/11)
Bulmer (25p) 137 (31/10)
City of London 137. Dfd. (25p) 61 60 (31/10)
Courage 4½pcDb. 75 (2/11). 5¼pcDb. 27½ (2/11). 6½pcDb. 87½ (2/11). 8pcDb. 86 (30/10). 10½pcLn. 83¼
Distillers (50p) 186⊕ 9 7 8 7½ 7. 5½pc

Greenall Whitley (25p) 113⊕. 8pcPf. 90 (2/11). 7pcLn. 51⅛⊕. 8½pcLn. 59⅛⊕
Greene King (25p) 296⊕ (2/11)
Guinness (A.) (25p) 150. 7¼pcLn. 68⅛⊕
Highland Dists. (20p) 151⊕ 48⊕ 8
Hill Thomson 8pcDb. 73½ (2/11)
Holt (J.) (25p) 254⊕ (2/11)
Invergordon Dists. (Hldgs.) (25p) 145⊕ 3 (2/11)
Irish Dists. (25p) 192 1
Macallan-Glenlivet (25p) 400 (1/11)
Marston Thompson Evershed (25p) 80 78 (31/10)
Scottish Newcastle Brews. (20p) 61⊕ 2⅛⊕

CANAL & DOCKS (7)

COMMERCIAL (2610)

A—B

Astbury Madeley (20p) 64½ 4 (1/11). Do. New (Fy. pd.) 67 (2/11). Do. New 35⊕ 4⊕ pm (2/11)
Astra Industrial (10p) 23½
Attwood Garages (25p) 28 (30/10)
Audio Fidelity (10p) 32 (30/10)
Audiotronic (10p) 21⊕. 12pcPf. (10p) 13½
Ault Wiborg (25p) 41½ (31/10)
Aurora (25p) 84⊕ 3
Austin (10p) 11½
Automated Security (10p) 91⊕. 8pcPf. 200⊕ (2/11)
Automotive Products (25p) 70 (2/11)
Avana (5p) 58⅛⊕ 9 8 ½
Averys (25p) 170 1
Avon Rubber 166 4. 7¼pcDb. 69

Associated Communications Corp. A (25p) 117⊕ 15⅛⊕ 17⊕ 17
Associated Dairies (25p) 178⊕ 8 8 6. Do. New 175⅛⊕ 9
Associated Electrical Inds. 6pcDb. 77 (2/11). 6¼pcDb. 64 (30/10)
Associated Engineering (25p) 107⅛⊕ (2/11)
Associated Fisheries (25p) 41
Associated Leisure (5p) 69⊕ 70 6 7.5½
Associated Newspapers (25p) 185⊕
Associated Paper Inds. (25p) 34½ (1/11)
Associated Sprayers (10p) 58 (2/11)
Associated Tooling Industries (25p) 40

Braithwaite Engineers 105
Brammer (H.) (20p) 105 (31/10)
Brasway (10p) 50
Breedon Cloud Hill Lime Wks. (25p) 92 (2/11)
Bremner (25p) 51 (2/11)
Brent Chemicals Intl. (10p) 189 (2/11)
Brent Walker (5p) 49
Brickhouse Dudley (10p) 48⊕ 7 (2/11)
Bridgend Processes (5p) 8½ (2/11)
Bridon (25p) 107⊕ 6 4 ½ (2/11). 6¼pc Uns.Ln. 49 (30/10). 7¾pcUns.Ln. 57⅛⊕ (2/11)
Bridport-Gundry (Hldgs.) (20p) 33½ (2/11)
Bristol Evening Post 134⊕
British Aluminium 818⊕ 20
British-American Tobacco 5pcPf. 41⊕. 6pc 2ndPf. 48½ 9⅛⊕ (2/11). 7pcUns.Ln. 75⊕

Brumme (T. F. J. H.) (Hldgs.) (25p) 53 (27/4)

C—D

E—F

Elys (25p) 175 (2/11)
Emms (T.) (10p) 63
Empire Stores (Bradford) (25p) 189
Energy (5p) 10½ 10
Energy Services Electronics (10p) 15⅛⊕
English Overseas Invest. (10p) 23½
English Card Clothing (25p) 97⊕
English China Clays (25p) 77 6½ 7 8
English Electric 5½pcDb. 1979-84 77½. 6pcDb. 74½ (2/11). 7pcDb. 71¼ (2/11)
Epicure Hldgs. (5p) 16 (31/10)
Esperanza Trade Trans. (12½p) 128
European Ferries (25p) 124⅛⊕ 6.5 4½ 5½ 6½
Eurotherm Interal. (10p) 177⊕ 8 4 (2/11)
Eva Indus. (25p) 193½ (1/11)

G—H

I—J—K

Johnson ...
Jones ...
K Shoes (25p) 73 (30/10)
Kalamazoo ...
Kean Scott ...
Kelsey Inds. ...
Kenning Motor ...
Kent (Geo.) ...
Kent (M.) ...
Kershaw ...
Kitchen (Eberhard) Taylor ...
Knott Mill ...
Kode Intnl. ...
Kwik-Fit ...
Kwik Save Discount ...
Kynoch (G.) ...

L—M

N—O—P

Peters Stores (10p) 40⊕ (2/11)
Petrocon Grp. (12½p) 45⊕
Phillips Fin. 5¼pcLn. 54 (2/11)
Phillips' Lamps Hldg. (Fl 10) 887⊕
Phoenix Timber (25p) 160 1
Pickles (W.) (10p) 16 (30/10). A Non-vtg. (10p) 8½
Pifco Hldgs. A (20p) 86⊕ (2/11)
Pilkington Bros. 290⊕ 83⊕ 2 7 3 80 5
Pittard Gp. (25p) 53⊕ (2/11)
Plastic Construction (10p) 35⊕ (2/11)
Plaxton's (Scarborough) (25p) 96 (30/10)
Plessey (50p) 103⊕ 2⊕ 100⅛⊕ 3⅛⊕ 4⅛⊕ 4 2 3 5 6 4
Plysu (10p) 106 (2/11)
Polly Peck (Hldgs.) (10p) 8 (2/11)
Polymark Intnl. (10p) 52 (31/10)
Portals Hldgs. (25p) 218 20
Portsmouth Sunderland Newspapers (25p) 69 (31/10)
Powell Duffryn (50p) 189⊕ 5. 4½pcPf. (50p) 45
Press (Wm.) Son (5p) 27⅛⊕. 8pcUns.Ln. 60¾ (31/10)

Q—R—S

T—U—V

Turner Newall 170⅛⊕ 4⅛⊕ 40 5 7 3 6 4. 8pcUnsec.Ln. 59⅛⊕ (2/11)
Turner (W. E.) (10p) 40
Turriff Cpn. (25p) 85 (30/10)
Tysons (Contractors) (10p) 26 (30/10)
Tyzack (W. A.) (10p) 24

UBM Grp. (25p) 74⅛⊕
UDS Grp. (25p) 89⅛⊕ 9 8 90 89½
UKO Intnl. (25p) 148 (1/11)
USMC Intnl. 9pcGtd.Ln. 1982 92⅛⊕ (2/11)
U.U. Textiles (10p) 4½
Ulster Television Non-V. A Ord. (25p) 75⊕ 5 3
Unicorn Inds. (25p) 87
Uniflex Hldgs. (10p) 68 72
Unigate (25p) 70⅛⊕ 70 1⅛⊕ 1 2. 6½pc Uns.Ln. 1991-96 52⊕. 6¾pcUns.Ln. 1992-97 74⅛⊕
Unilever (25p) 525⊕ 40 7 6 8 4 3. 7pcPf. 59 (30/10). 8pcPf. 68½ (2/11). 4pcDb. 90 (31/10). 6¼pcDb. 69¾ 70¼ (2/11). 5¾pcUns.Ln. 44⊕. 7¾pc Uns.Ln. 60½ 60

Insurance brokers hit back at Borrie

BY ERIC SHORT

MR. GORDON BORRIE, director-general of Fair Trading, was strongly attacked yesterday by the British Insurance Brokers' Association over his recent criticism of life assurance selling.

Mr. Borrie referred to the high number of life assurance contracts that were cashed in prematurely, many through high-pressure selling of policies in the first place, and lack of guidance over policies.

He called on the life assurance industry to consider ways urgently of reducing the number of "wasted life policies" and to see if the commission system could be adjusted to ensure customers received impartial and balanced advice. These charges were immediately refuted by Mr. Peter Sharman, chief executive of Norwich Union Insurance Group, and chairman of the Life Offices Association.

Now Mr. Alan Teale, secretary of the Insurance Brokers' Association, has supported the statement of the Life Offices Association and accused Mr. Borrie of ignoring several important aspects of life assurance. Mr. Borrie had not fully studied the effect of the change to a premium related commission agreed between brokers and the LOA regarding life contracts, says Mr. Teale. Neither had he made proper reference to the statement made by life assurers on the Unfair Contract Terms Act of last year.

But, in particular, Mr. Teale felt that Mr. Borrie had not given recognition to the extensive education and training programme adopted by BIBA, nor to the growing facilities being developed to meet the special needs of the life assurance broker. Included among these activities were the development of systems for brokers, aimed at controlling overhead costs and at greater efficiency in the servicing and transcation of business.

Finally, Mr. Teale pointed out that a special working party, consisting of specialist life assurance brokers, was studying methods of presenting life assurance contracts in the simplest possible form for the benefit of the public.

Unchanged Inner London education rate likely

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE CITY and the 12 Inner London boroughs have a chance of escaping any increase in the rates paid for education for the first time since the Inner London Education Authority was formed in 1965.

Sir Ashley Bramall, leader of the Labour-controlled ILEA, said yesterday that provided inflation did not exceed a reasonable level, the authority's 1979-80 education rate could be pegged at 43p, even though the ILEA planned to increase expenditure in constant-price terms by £4.65m.

Councils given urban powers

LOCAL AUTHORITIES in England and Wales were yesterday sent joint Department of the Environment and Welsh Office circulars on the workings of the new Inner Urban Areas Act.

The circular describes the provisions of the Act and the new powers available to designated districts, advises on the selection of projects for assistance and explains how local authorities can use the Act to declare improvement areas.

Gorge blasting

BLASTING will start next week to remove more than 1,000 tons of unstable rocks near Clifton Suspension Bridge over the Avon Gorge, Bristol. There will be one blast each weekday for the next seven weeks.

Hospital plan

A £10M 280-bed extension to Stoke on Trent City General Hospital is planned to be started within two years.

SINGAPORE STOCK EXCHANGE

Nov. 3	$	Nov. 3	$
Industrials		Straits Trad'g.	6.50
Boris	[illegible]	Times Pub.	
Boustead	[illegible]	Berhad	5.00
Boustead Bhd.	2.75	C. Engineers	1.58
Dunlop	—	U. O'S Bk.	5.72
Esso	[illegible]	Wearnes	3.56
Fraser Neave	[illegible]	Inchcape	6.25
Haw Par	[illegible]	Chemical	6.30
Hume Ind.	[illegible]	Wh'ise Jacks.	1.42
Inchcape	[illegible]	**Rubbers**	
Malay Brew.	[illegible]	Batu Lintang	
Malay Cem.	[illegible]	Dunlop Estate	[illegible]
Met. Bx. Stud	[illegible]	Kesopan	[illegible]
Ov-Chin. Bk.	2.75		
Pan Electric	[illegible]	**Tins**	
Robinson Co.	[illegible]	Austral. Am.	
Rothmans	[illegible]	Berjuntai	[illegible]
Shell	[illegible]	Kampar	
Sime Darby	[illegible]	Kuchai	
Sobh. Storage	[illegible]	Lower Perak	
Straits Steam	2.67	Petaling Tin	
Straits Time		Supreme Cp.	[illegible]
Tele-Ltd.	[illegible]	Tongkah Har.	[illegible]

Coral Index Bears have a Picnic!

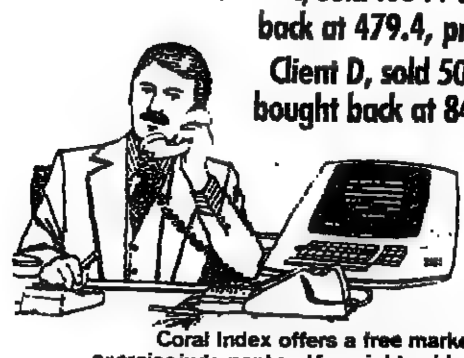
During the last account,

Client A, sold 10 Dow at 888, bought back at 804, profit £840.

Client B, sold 25 Dow at 865, bought back at 792.4, profit £1815.

Client C, sold 100 FT at 496, bought back at 479.4, profit £1660.

Client D, sold 500 Dow at 875, bought back at 845, profit £15000.



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SHARE OF THE MONTH

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FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 24.11.78.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	12	12¼	12½	12½	12¾	12¾	12¾	12¾

Rates for larger amounts on request. Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London, SE1 8XP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
rnsley Metro. (0226 203232)	11¼	½-year	250	5-7
adford (0274 29577)	11½	½-year	500	5-7
orley (02572 5611)	11½	½-year	1,000	5-7
eter (0392 77888)	12	½-year	500	6-7
owsley (051 548 6555)	12	½-year	1,000	5-10
nchester (061 236 3377)	10	½-year	500	2
rth Kesteven (0529 303241)	11½	½-year	1,000	5-7
ole (02013 5151)	10½	½-year	300	3
dbridge (01-478 3020)	11½	½-year	200	6-7
lisbury (0722 24285)	11¼	½-year	100	5-7
ndwell (021 569 2226)	11½	½-year	500	6-7
ndwell (021 569 2226)	12	½-year	1,000	6-7
fton (051 922 4040)	11½	½-year	2,000	4-7
uthend (0702 49451)	10½	½-year	250	3
ekin (0952 505051)	11½	yearly	1,000	5-10

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares		*Term Shares
bbey National	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs.
id to Thrift	7.00%	7.50%	—	—	
lliance	6.45%	6.70%	7.95%	7.70%	3-4 yrs., 7.20% 2 yrs., 6.95% 1 yr.
nglia Hastings & Thanet	6.45%	6.70%	7.95%	7.70%	3-4 yrs., 7.20% 2 yrs., 6.95% 1 yr.
radford and Bingley	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs., min. £500
ridgwater	6.45%	6.70%	8.50%	7.90%	2½ yrs., 7.45% 2 yrs.
ristol and West	6.45%	6.70%	7.95%	—	
ristol Economic	6.45%	6.70%	7.95%	6.95%	3 months' notice
ritannia	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs., min. £500
urnley	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs.
ardiff	6.45%	7.25%	8.25%	—	
atholic	6.00%	●6.50%	7.50%	—	● 7% over £5,000
helsea	6.45%	6.70%	7.95%	7.45%	min. £500 6 months' notice
heltenham & Gloucester	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs. (£500-£15,000)
itizens Regency	6.45%	7.05%	8.25%	8.30%	3 yrs., 7.55% 1 yr., min. £5,000
ty of London	6.70%	7.00%	7.95%	8.04%	3 yrs., increment share—min. £500
oventry Economic	6.45%	6.70%	7.95%	7.70%	3 yrs. min., 7.20% 3 mths.' notice
oventry Provident	6.45%	6.70%	8.70%	7.95%	3 yrs., 7.45% 2 yrs., 6.95% 1 yr.
erbyshire	6.45%	6.70%	7.20%	—	up to 7.20% 3 months' notice
ateway	6.45%	6.70%	7.95%	7.70%	3yrs., 7.20% 2yrs., min.£500-£15,000
uardian	6.45%	6.95%	7.20%	7.65%	3 months' notice, £1,000 min.
alifax	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs.
eart of England	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 3 months' notice
earts of Oak & Enfield	6.45%	6.95%	8.45%	8.20%	4 yrs., 7.95% 3 yrs., 7.70% 2 yrs.
endon	6.70%	7.20%	—	7.70%	6 months
uddersfield & Bradford	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs.
eamington Spa	6.55%	6.80%	9.26%	7.55%	2 yrs.
eeds Permanent	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs., min. £1,000
eicester	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs., 6.95% 3 mths.
iverpool	6.45%	6.70%	8.15%	7.80%	3 yrs., 7.30% 2 yrs., min: £1,000
ondon Goldhawk	6.45%	6.95%	8.20%	7.95%	3yrs., 7.70 2yrs., 7.45 1yr.min.£1,000
elton Mowbray	6.55%	6.80%	7.95%	7.55%	2 yrs., min. £2,000
idshires	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs., min. £250
ornington	7.25%	7.50%	—	—	
ational Counties	6.70%	7.00%	8.00%	7.45%	3 months, min. £1,000
ationwide	6.45%	6.70%	7.95%	7.70%	3-4 yrs., 7.20% 2 yrs., min. £500
ewcastle Permanent	6.45%	6.70%	8.00%	8.00%	3 yrs., 7.70% 2 yrs.
ew Cross	7.25%	7.50%	—	—	
orthern Rock	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.20% 2 yrs., min. £100
orwich	6.45%	6.70%	8.20%	7.70%	3 yrs., 7.45% 2 yrs., min. £500
tley	6.45%	6.70%	7.20%	7.70%	3 yrs., 7.20% 2 yrs., min. £500
eckham Mutual	6.75%	7.25%	—	—	
ortman	6.45%	6.70%	7.95%	7.70%	3 yrs., 7.45% ½-yrly., 6.95% 3 mths.
rincipality Buildg. Society	6.45%	6.70%	7.95%	7.70%	3-4 yrs., 7.20% 2 yrs., min. £500
rogressive	6.70%	6.95%	7.95%	7.95%	3yrs., 7.70% 2yrs., 7.45% 3mths. not.
roperty Owners	6.45%	7.20%	8.45%	7.65%	3 mths. not., 5.70% to limited cos.
rovincial	6.45%	6.70%	7.95%	7.70%	3-4 yrs., 7.20% 2 yrs.
kipton	6.45%	6.70%	7.95%	7.70%	3yrs., 7.20% 2yrs., 6.95% 3mths.not.
ussex Mutual	6.45%	7.00%	8.75%	8.05%	3 yrs., 7.75% 2 yrs., 7.50% 1 yr.
own and Country	6.45%	6.70%	♣10.00%	7.70%	3 yrs., 7.20% 2 yrs. ♣ Max. £250
oolwich	6.45%	6.70%	7.95%	7.20%	2 yrs., 7.70% 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

Currency, Money and Gold Markets

UK MONEY MARKET

Bill rate higher

Bank of England Minimum Lending Rate 10 per cent (since June, 1978)

The Treasury bill rate rose by 0.5127 per cent to 10.7973 per cent at yesterday's tender, its highest level since February 1977. The minimum accepted bid was £97.30 compared with £97.43 previously and bids at that level were met as to about 90 per cent. The £350m bills attracted bids of £911.025m and all bills offered were allotted. Next week £500m will be on offer replacing maturities of £300m.

Day to day credit was in good supply in the money market and the authorities took out the surplus by selling a moderate amount of Treasury bills, all direct to the discount houses. The market was helped by banks bringing forward balances well above target, and an excess of revenue transfers over Government disbursements. On the other hand there was the usual Friday increase in the note circulation on a modest scale, together with a modest net take up in Treasury bills.

In the interbank market overnight loans opened at 8¾-8⅞ per cent and eased on the forecast to 7½-7¾ per cent before touching 6¾-7 per cent around lunch. However, demand pushed up rates to 9-9¼ per cent with closing balances taken around 9 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Activity in yesterday's foreign exchange market tailed off ahead of the weekend, with the U.S. dollar continuing to be held up by central bank intervention. The absence of any real pressure on the U.S. unit really meant that the various authorities had very little to do in order to improve the dollar's position. The dollar went up from its opening levels to reach a peak during the afternoon, before finishing some way in the middle of the day's spread. Against the Swiss franc it was quoted at SwFr 1.5925 early on and touched SwFr 1.6340 during the afternoon before closing at SwFr 1.6200 compared with Thursday's close of SwFr 1.6005. The West German mark followed much the same pattern.

Using Morgan Guaranty figures at noon in New York, the dollar's trade-weighted average depreciation narrowed to 9.9 per cent from 10.4 per cent previously.

Sterling opened at $1.9945-1.9970 and touched $1.9970-1.9990 during the morning. However central bank support pushed the dollar back to $1.9810 and the pound touched $1.9675-1.9700.

Demand for sterling in later trading pushed the rate back to $1.9900 although further support for the dollar may have been given by the U.S. Fed. Sterling consequently eased a little to close at $1.9820-1.9840, a fall of 1.57½c on the day and 8c on the week. However its trade-weighted index improved to 62.0 from 62.5.

Gold continued to reflect the sharp turnaround in the dollar and nervous conditions contributed to a loss of $6 to a close of $215-215½. Gold has lost $29½ since Monday's record closing level of $244½-245½.

THE POUND SPOT

Nov. 3	Bank rate %	Day's spread	Close
U.S. $	9½	1.9675-1.9990	1.9820-1.9840
Canadian $	10¼	2.3050-2.3560	2.3166-2.3165
Guilder	6½	4.02-4.07	4.04-4.05
Belgian F	6	56.50-58.90	56.60-58.80
Danish K.	8	10.29-10.40	10.38-10.56
D-Mark	3	3.73-3.78	3.74½-3.755
Port. Esc.	18	90.20-91.50	90.55-91.35
Span. Pes.	8	140.75-142.46	141.00-141.40
Lira	10½	1,645-1,665	1,653-1,657
Nrwgn. K.	7	9.88-9.96	9.94-9.96
French Fr.	9½	8.47-8.57	8.46-8.51
Swedish Kr.	6½	8.58-8.66	8.58-8.61
Yen	3½	370-380	374-378
Austria Sch	4½	27.30-27.45	27.25-27.45
Swiss Fr.	1	3.19½-3.25	3.20½-3.21½

Belgian rate is for convertible francs. Financial franc 41.85-41.13.

OTHER MARKETS

Nov. 3	£	$		£ Note Rates
Argentina Peso	1,812-1,816	913.75-915.75	Austria	27-28½
Australia Dollar	1.7209-1.7269	0.8678-0.8708	Belgium	60½-62
Finland Markka	7.83½-7.84½	3.9600-3.9630	Denmark	10.25-10.40
Brazil Cruzeiro	38.43-39.45	19.38-19.88	France	8.50-8.70
Greek Drachma	71.713-73.466	36.16-37.05	Germany	3.70-3.80
Hong Kong Dollar	9.47-9.49½	4.7650-4.7700	Italy	1600-1670
Iran Rial	136-144	70.45-70.75	Japan	375-385
Kuwait Dinar (KD)	0.534-0.544	0.27125-0.27185	Netherlands	4.00-4.10
Luxembourg Franc	58.40-58.70*	29.58-29.63	Norway	9.95-10.05
Malaysia Dollar	4.3250-4.3375	2.1750-2.1800	Portugal	90-110
New Zealand Dollar	1.8578-1.8678	0.9370-0.9420	Spain	145-149
Saudi Arabia Riyal	6.46-6.56	3.2760-3.2860	Switzerland	3.20-3.30
Singapore Dollar	4.30-4.31½	2.1650-2.1640	United States	1.95-2.00
South African Rand	1.7087-1.7348	0.8616-0.8748	Yugoslavia	43-45

Rate given for Argentina is free rate.

LONDON MONEY RATES

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.30-10.40 per cent; three months 11.20-11.30 per cent; six months 11.55-11.65 per cent; one year 11.55-11.65 per cent.

Long-term Eurodollar deposits: Two years 10⅞-11 per cent; three years 10⅝-10¾ per cent; four years 10½-10⅝ per cent; five years 10⅜-10½ per cent nominal closing rates. Short-term rates a call for sterling, U.S. dollars and Canadian dollars, two-day call for guilders and Swiss francs. Asian rates for closing rates in Singapore.

GOLD

	Nov. 3	Nov. 2
Gold Bullion (a fine ounce)		
Close	$215-215½	$221-221½
Opening	$219-220	$219-220
Morning fixing	$219.65 (£110.660)	$219.40 (£110.574)
Afternoon fixing	$215.40 (£108.787)	$221.50 (£111.559)
Gold Coins, domestically		
Krugerrand	$221½-223½ (£111¾-112¾)	$226½-228½ (£113¾-114¾)
New Sovereigns	$60-62 (£30¼-31¼)	$61½-63½ (£30¾-31¾)
Old Sovereigns	$60-62 (£30¼-31¼)	$61½-63½ (£30¾-31¾)
Gold Coins, internationally		
Krugerrand	$221½-223½ (£111¾-112¾)	$226½-228½ (£113¾-114¾)
New Sovereigns	$60-62 (£30¼-31¼)	$61½-63½ (£30¾-31¾)
Old Sovereigns	$60-62 (£30¼-31¼)	$61½-63½ (£30¾-31¾)
$20 Eagles	$295-298	$298-301
$10 Eagles	$155-160	$156-161
$5 Eagles	$100-105	$100-105

CURRENCY MOVEMENTS

November 3	Bank of England Index	Morgan Guaranty changes %
Sterling	62.86	−42.2
U.S. dollar	83.12	− 9.9
Canadian dollar	79.98	−17.3
Austrian schilling	143.64	+18.4
Belgian franc	114.37	+14.7
Danish krone	116.97	+ 6.2
Deutsche Mark	146.90	+39.5
Swiss franc	200.39	+86.9
Guilder	123.20	+19.9
French franc	98.22	− 5.5
Lira	54.63	−48.4
Yen	153.41	+51.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

U.K. CONVERTIBLE STOCKS 3/11/78

Statistics provided by data STREAM International

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.§	Income Diff.◊	Cheap(+) Dear(−)◊ Current
Associated Paper 9½pc Cv. 85-90	1.40	117.00	200.0	76-79	8.3	6.8	8.3	−10 to 8	5.2	4.6	− 0.5	− 8.8
Bank of Ireland 10pc Cv. 91-96	1.20	187.00	47.6	77-79	5.4	2.1	− 1.8	− 8 to 3	11.1	4.8	− 3.3	− 1.5
British Land 12pc Cv. 2002	7.71	170.00	333.3	80-97	7.1	6.3	20.0	1 to 20	0.0	84.7	59.8	−39.8
English Property 6½pc Cv. 98-03	8.07	80.00	234.0	76-79	8.1	8.4	− 6.3	−11 to −4	7.7	0.0	− 9.1	− 2.7
English Property 12pc Cv. 00-05	15.31	81.00	150.0	76-84	14.8	14.9	47.9	−200 to 56	28.5	44.6	29.4	−18.6
Hanson Trust 6½pc Cv. 88-93	4.51	75.00	37.1	76-80	8.7	9.8	4.2	− 1 to 8	8.4	6.0	− 3.3	− 7.5
Hewden-Stuart 7pc Cv. 1995	0.04	350.00	564.5	75-79	1.9		− 5.2	−30 to 1	9.4	3.4	− 1.5	+ 3.7
Slough Estates 10pc Cv. 87-90	5.50	166.00	125.0	78-86	6.2	2.0	19.6	5 to 20	32.5	51.1	13.4	− 6.3
Thorn Electrical 5pc Cv. 90-94	10.93	103.00	29.1	75-79	4.9	4.8	2.3	− 7 to 3	5.0	4.7	− 0.3	− 2.6
Tozer, Kemsley 8pc Cv. 1981	0.78	93.00	153.9	74-79	8.6	10.8	20.9	1 to 21	7.0	0.0	− 9.1	−30.0
Ultramar 7pc Net R.Cv.Pfd.	14.97	1.36	0.5	76-88	7.8	5.9	14.3	5 to 19	0.0	60.8	51.1	−36.8
Wilkinson Match 10pcCv. 83-98	11.10	90.00	40.0	76-83	11.6	11.7	27.1	24 to 38	29.2	38.6	13.2	−13.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ‖ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Markets resist disappointing developments on wages

30-share index unchanged at 472.4 but 10.8 down on week

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct. 16	Oct. 26	Oct. 27	Nov. 7
Oct. 30	Nov. 9	Nov. 10	Nov. 21
Nov. 13	Nov. 23	Nov. 24	Dec. 5

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets yesterday were not discouraged by the overnight reaction on Wall Street and attempted to rally from the start despite the tense atmosphere ahead of the votes on pay at Ford and British Leyland and the meeting at BOC, any of which could have an important bearing on sentiment.

A limited amount of bear-covering gave the opening movement slight impetus along with a small genuine investment demand following the BL Longbridge workers' decision to give the company four weeks to conclude a satisfactory pay agreement. But reports of the Ford votes, and especially that of the Dagenham complex, subdued interest and leading industrials adopted a slightly easier stance.

Business during the afternoon was noticeably small and the market, recognising eventually the lack of any selling pressure, picked up again after the official close to leave many top-name issues unchanged on balance. The FT Industrial Ordinary share index charted the course of events with a rise of 1.7 at 11 am, a fall of 1.4 at 3 pm and an unaltered close at 472.4.

The other major clearing banks, as widely anticipated, announced base lending rate increases in line with Barclays' 1½ point rise to 11.5 per cent on Thursday, but neither equities nor British Funds appeared to be affected by the announcements or by the further advanced terms of this week's Treasury bill rate.

Marginal gains in the Gilt-edged sector reflected initial hopes of an improvement in the pay situation, but the Ford news eventually stifled interest and most shorts and longs reverted to overnight list levels. The shorter end of the market, recently more prone to fears of higher interest rates, showed greater resilience and held fractional rises extending to ⅛.

Mirroring the early trend in sterling, rates for investment currency improved to 79¼ per cent after two-way business had taken place at around 78¾-79 per cent. Late in the day, however, revived arbitrage offerings found few buyers operating and the premium reacted to close a net ¼ lower at 77¾ per cent. Yesterday's conversion factor was 0.7720 (0.7238).

There was a marked slackening of activity in Traded Options where contracts amounted to only 266 compared with Thursday's 1,020. ICI, which recorded 103 deals, accounted for the major part of the day's business.

News that the other clearing banks had followed Barclays' move on Thursday by raising their base lending rates by 1½ points to 11½ per cent created a better business in the sector which closed firmly. **Barclays** rose 5 to 345p, while similar gains were seen in **Lloyds**, 260p, **Midland**, 345p, and **Natwest**, 275p. Australian issues took a turn for the worse. **ANZ** slipped 5 to 283p, while **National Bank of Australasia**, 197p, and **Bank of New South Wales**, 550p, shed 8 and 10 respectively.

Allied Breweries ended marginally harder at 83p, after 81½p; a line of 2m shares, which had been overhanging the market, was placed yesterday at around the current market level. Other Breweries were quiet and little changed.

Timber issues closed dull in an otherwise neglected Building sector. Subject of an agreed offer from International worth about 79p, **Bambergers** eased 3½ to 76½. The former, in which **Montague L. Meyer** holds a 14.2 per cent stake, eased a penny to 128p. **Magnet and Southerns** came on offer and lost 7½ at 122½p, while **Travis and Arnold** gave up 6 at 166p. Elsewhere, **BPB** declined 5 to 227p, and **George M. Callender** shed 2 to 23p, the latter in response to lower interim profits. **George Wimpey** eased ½ to 81½p, after 82½p, on consideration of the group's reorganisation proposals, while **Taylor Woodrow**, also finished 4 down at 408p after Thursday's rise of 12 on hopes that the group will make a similar move. Despite an investment recommendation, **Richards and Wallington** cheapened a penny at 78p, while a lack of interest left **Brown and Jackson** 4 off at 234p. Acquisition news left **Cement Roadstone** unmoved at 95p and occasional offerings clipped 3 from **Blue Circle** at 257p. **Helical Bar** moved up 2 to 24p; reports of the chairman's annual statement came well after the market close.

ICI drifted back from a slightly firmer opening and finished a couple of pence lower on balance at 358p for a fall of 21 on the week; the third quarter figures are due on November 23. **Bernard Wardle** eased ½ to 31p, after 32p, but still held a rise on the week of 3½p.

Stores mixed

Leading Stores closed narrowly mixed following a quiet trade. Elsewhere, **NSS Newsagents**, at 98p, recovered 3 of the previous two-day fall of 13, and **Freemans** improved 5 to 335p. Interest developed for **Knott Mill**, 1½ up at 23p, after 24p, but **Owen Owen** came on offer at 113p, down 5. **Aquascutum A** eased a penny to 43½p in response to the interim results, and **Amber Day** lost a like amount at 47p despite the chairman's confident statement. In Shoes, **Ward White** were notably dull at 91p, down 3.

Electricals closed with several dull spots following adverse Press comment. **United Scientific** stood out at 268p, down 15, while **Farnell Electronics**, 352p, and **Automated Security**, 88p, lost 6 apiece. Still reflecting labour problems, **Berec** eased 2 more to 130p for a loss on the week of 14. **Electrocomponents** remained a weak market, losing 6 for a two-day fall of 14 to 267p on further consideration of the interim figures. Other dull counters included **Clifford and Snell**, 4 off at 38p, and **Thorn Electrical**, 10 cheaper at 346p.

Engineering leaders rarely strayed far from overnight closing levels. **GKN** ended without alteration at 264p after being a shade firmer at one stage, while **Tubes** finished with a gain of a few pence at 374p. **Vickers**, on the other hand, closed a penny lower at 188p, but still recorded a rise of 4 on the week, the overall improvement reflecting nationalisation compensation hopes and recent news of the proposed sale of its 70 per cent holding in subsidiary Canadian Vickers. Elsewhere, **Marlonair** encountered further selling ahead of next Tuesday's preliminary statement, and fell 12 more to 190p. **APV** came on offer at 198p, down 10, while **Adwest** reacted 6 to 294p. **600 Group** gave up 5½ to 96p, and falls of 5 were seen in **Startrite**, 105p, **United Engineering**, 65p, and **ML Holdings**, 175p. **Charles Clifford** eased 3 to 112p following the half-yearly loss and the accompanying statement on the recent reorganisation of the company. By way of contrast, **Stothert and Pitt** responded to the annual results and proposed rights issue with a rise of 5 to 235p, while **Northern Engineering** hardened a shade to 137½p following Press mention.

Cartiers, which reported interim figures on Wednesday, lost 3 to 93p for a fall on the week of 12. Small selling clipped 5 from **Joseph Stocks** at 150p, but **Linfood** responded to renewed speculative interest with an improvement of 4 to 140p. News that the bakers' union had rejected a pay offer and the treat of strike action next week failed to create much interest in shares of the companies concerned; **RHM** closed without alteration at 51½p, while **Associated British Foods** eased a penny to 71p.

City Hotels, at 115p, recouped 6 of the recent sharp decline which followed news that the Office of Fair Trading was investigating the affairs of its Dayville ice-cream subsidiary. Elsewhere in Hotels and Caterers, **Savoy A** eased 3 to 86p and **Wheelers Restaurants** 10 to 370p.

Hoover down again

Miscellaneous Industrials leaders fluctuated narrowly before closing with a slightly easier bias. **Reckitt and Colman**, a dull market of late on fears about its overseas earnings, ended 3 cheaper at 440p making a fall of 33 on the week. **Glaxo** closed a few pence cheaper at 535p as did **Beecham** at 633p. **BOC International** remained an unsettled market awaiting developments in the pay dispute and shaded ½ more to 66½p. Still reflecting marked disappointment with the third quarter profits, **Hoover A** were vulnerable to fresh selling and dipped 10 more to 255p for a loss of 38 since the announcement. **Johnson Matthey** reacted 10 to 435p in a restricted market, while adverse Press mention prompted a fall of 5 to 170p in **Diploma**. **Petrocon** remained on offer and gave up 4 more to a low for the year of 42p, while falls of a similar amount were marked against **Siebe Gorman**, 200p, **Sketchley**, 118p, and **Lead Industries**, 145p. Against the trend, **Randalls** pushed ahead to close 4½ higher at 109½p, demand being stimulated by hopes of an increased offer from Whitecroft. **Silhouette A** held steady at 32p following the interim results.

Standing a couple of pence easier ahead of the annual results, **Ulster TV A** hardened immediately on the announcement and closed just ½ off at 74½p for a rise of 7½ on the week. **HTV N/V** shed 5 at 112p on lack of support.

Underlying sentiment in the Motor sectors was not helped by the apparent pay deadlocks at Ford and BL Cars. Garages and Distributors to give a little ground included **T. C. Harrison**, 3 lower at 105p, **Caffyns**, 2 off at 97p, and **Lookers**, a similar amount cheaper at 52p. **British Car Auctions** eased a penny to 47p awaiting Monday's preliminary statement. Among Components, **Lucas**, annual results also due on Monday, reacted to 303p before settling at 305p for a fall of 2 on balance. Elsewhere, **Rolls-Royce** cheapened 2½ to 101½p.

Despite the dearer money trend, Properties held close to overnight levels with the leaders recording occasional gains in the late trade. **Land Securities**, interim results November 14, hardened a penny to 226p and **Stock Conversion** reverted to unchanged at 262p from 260p. In contrast, lower interim profits left recently-firm **Rush and Tompkins** 10 down at 102p while, awaiting Tuesday's mid-term report, **Great Portland Estates** eased 6 to 202p. **Warner Estate** fell 8 to 145p on small selling in a thin market and, still awaiting news of the bid approach, **Corn Exchange** gave up 5 more to 223p.

Oils quiet

Conditions in the Oil market were extremely quiet. A reaction of 6 to 838p in **British Petroleum** mainly reflected overnight Wall Street influences. **Shell** moved narrowly before settling at 538p, unaltered on the day. Among the North Sea hopefuls, **Oil Exploration** responded to a late flurry of demand with a rise of 6 to 200p. **Burmah** hardened a penny to 69p, while favourable Press mention prompted a small improvement to 21½p in **Charterhall**.

Still reflecting disappointment with the interim figures, **United City Merchants** lost 6 for a two-day reaction of 11 to 51p. Other Overseas Traders to lose ground included **Gill and Duffus**, 4 easier at 138p, and **Harrisons and Crosfields**, 13 cheaper at 519p. **S. and W. Berisford** closed slightly easier at 154p following news of the company's proposed takeover of Turner Curzon.

Investment Trusts ended the week on a quiet note following the recent sharp gyrations on the performance of Wall Street. **Wemyss Investment** fell 15 to a 1978 low of 275p on further consideration of the results, while **Edinburgh Investment Deferred**, 214p, and **Alliance Trust**, 205p, lost 4 apiece. **New Throgmorton Capital** came on offer at 125p, down 5, following the interim statement. Overseas issues had **Challenge Corporation** 5 easier at 120p and **Argo Investments** 8 higher at 150p.

P. and O. Deferred typified conditions in the Shipping sector, closing a penny easier at 85p following a light trade.

News of the proposed rights issues continued to unsettle **Tern-Consulate** which eased 3 more to 73p. Elsewhere in the Textile sector, **Allied** drifted off to close 3 lower at 138p, but buying interest revived in **Sirdar**, up 2 at a peak for the year of 90p. Among Tobaccos fresh scattered offering left **Bats** 4 cheaper at 265p and the **Deferred** 5 down at 233p.

Poor week for Golds

The Gold share market ended a turbulent week on a quiet note with lack of interest and a further downturn in the bullion price causing minor losses which left the Gold Mines index 2.1 down at 131.9, a fall over the week of 17.4.

The bullion price dropped $6 more to $215.375 per ounce, its fourth consecutive decline and a week's loss of $19 reflecting the measures taken on Wednesday to support the dollar, which included the doubling of the amount of gold to be offered at the December monthly U.S. Treasury auction to 1.5m ounces.

Among the heavyweights, **Randfontein** gave up almost a point to £28½, while losses of ¼ to ½ were common to **Vaal Reefs**, £11¼, **Free State Geduld**, £12¾, and **Western Holdings**, £15½.

In the lower-priced issues **Harmony** were 17 down at 258p and **Venterspost** slipped 9 to 165p.

South African Financials also suffered from lack of interest. **De Beers** continued to lose ground, falling 6 more to 342p for a week's decline of 14, while **Anglo American** gave up the same amount to 294p and **Middle Wits**, 15 to 145p.

Rio Tinto-Zinc eased 6 more to 230p, extending the loss on the week to 18.

Australians provided features in **Conzinc Riotinto** and the partners in the Ranger uranium project. The former, although 4 off yesterday at 274p, registered an improvement on the week of 24 in front of the latest progress report from the Ashton venture which is due on Monday. The progress report is timed to coincide with the flotation of Ashton Mining which is expected to commence trading on Thursday.

The partcipants in the Ranger project both gained ground following the signing, by the chairman of the Northern Land Council, of an agreement to go ahead with development of the mine. **Peko-Wallsend** rose 20 to 478p, while **EZ Industries** put on 11 to 258p.

FINANCIAL TIMES STOCK INDICES

—	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 27	A year ago
Government Secs.	68.58	68.66	68.77	69.28	69.34	69.57	78.[illegible]
Fixed Interest	70.06	70.17	70.22	70.52	70.63	71.02	78.0[illegible]
Industrial	472.4	472.4	479.2	478.9	484.4	485.2	476.[illegible]
Gold Mines	131.9	134.0	131.1	143.4	148.5	149.3	156.[illegible]
Gold Mines (Ex-$ pm.)	96.6	97.0	95.6	105.1	110.6	110.4	112.[illegible]
Ord. Div. Yield	5.75	5.75	5.66	5.67	5.60	5.62	5.6[illegible]
Earnings Y'ld%(full)	15.88	15.85	15.66	15.67	15.48	15.52	16.7[illegible]
P/E Ratio (net) (*)	8.52	8.53	8.44	8.43	8.55	8.51	8.4[illegible]
Dealings marked	4,683	5,106	4,377	4,638	4,337	4,870	5,66[illegible]
Equity turnover £m	—	78.28	93.58	67.68	63.87	78.71	81.2[illegible]
Equity bargains total	—	16,005	16,240	12,894	14,854	15,781	13,40[illegible]

10 am 473.1. 11 am 474.1. Noon 471.8. 1 pm 471.1.
2 pm 471.1. 3 pm 471.0.
Latest Index 01-246 8026.
*Nil=9.10.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ pm index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	68.58 (3/11)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.06 (3/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8)	130.3 (3/1)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm.)	152.5 (14/8)	90.5 (3/1)	337.1 (3/4/74)	54.3 (26/6/76)

S.E. ACTIVITY

	Nov. 3	Nov. 2
—Daily		
Gilt Edged	162.6	[illegible]
Industrials	162.1	[illegible]
Speculative	35.0	[illegible]
Totals	106.6	[illegible]
5-day Average		
Gilt-Edged	159.4	[illegible]
Industrials	162.[illegible]	[illegible]
Speculative	36.[illegible]	[illegible]
Totals	105.[illegible]	[illegible]

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BP	800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BP	900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BP	950	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs.	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs.	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
		November		February		May		
BOC Intl.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	18	3	55	22	149	223
Corpns. Dom. and Foreign Bonds	—	20	42	9	68	231
Industrials	142	546	811	1,037	2,722	3,896
Financial and Prop.	51	199	252	348	1,038	1,127
Oils	4	13	19	34	61	85
Plantations	3	6	22	18	27	110
Mines	20	83	58	173	318	222
Recent Issues	1	6	23	14	57	62
Totals	239	876	1,302	1,661	4,452	5,986

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
BP	£1	9	838	−6	926	720
ICI	£1	9	358	−2	421	328
BATs Defd.	25p	8	233	−5	304	221
Dunlop	50p	8	67	−1	90	67
GEC	25p	8	309	−2	340	233
Rank Org.	25p	8	244	—	296	226
Shell	25p	8	538	—	602	484
Marks & Spencer	25p	7	82	+1	94	67½
Racal Elect.	25p	7	314	−5	362	106
Allied Breweries	25p	6	83	+½	94	78
Barclays Bank	£1	6	345	+5	368	298
Midland Bank	£1	6	345	+5	390	330
Plessey	50p	6	104	−1	125	87
Tst. Houses Forte	25p	6	220	−1	250	166
Turner & Newall	£1	6	175	+1	200	166

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978 high	1978 low
ICI	£1	71	358	−21	421	328
BP	£1	66	838	−18	926	720
Shell Transport	25p	63	538	−6	602	484
BATs Defd.	25p	32	233	−17	304	221
GEC	25p	31	309	−9	340	233
Marks & Spencer	25p	43	82	−1	94	67½
Barclays Bank	£1	41	345	+9	368	296
Beecham	25p	41	633	−20	743	583
Distillers	50p	39	188	−5	215	163
GKN	£1	38	264	−1	298	248
Rank Org.	25p	38	244	−3	296	226
Bowater	£1	37	174	−10	212	163
Allied Breweries	25p	36	83	−1	94	78
De Beers Defd.	R0.05	36	342	−14	488	285
Grand Met.	50p	35	104	−4	121	87

BASE LENDING RATES

A.B.N. Bank	11½%	■ Hill Samuel	§10 %
Allied Irish Banks Ltd.	10 %	C. Hoare & Co.	†10 %
American Express Bk.	10 %	Julian S. Hodge	12½%
Amro Bank	11½%	Hongkong & Shanghai	10 %
A P Bank Ltd.	11½%	Industrial Bk. of Scot.	10 %
Henry Ansbacher	10 %	Keyser Ullmann	10 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	12 %
Bank of Credit & Cmce.	11½%	Lloyds Bank	10 %
Bank of Cyprus	11½%	London Mercantile	10 %
Bank of N.S.W.	10 %	Edward Manson & Co.	12½%
Banque Belge Ltd.	11½%	Midland Bank	11½%
Banque du Rhone	10½%	■ Samuel Montagu	10 %
Barclays Bank	11½%	■ Morgan Grenfell	10 %
Barnett Christie Ltd.	11 %	National Westminster	10 %
Bremar Holdings Ltd.	11 %	Norwich General Trust	10 %
Brit. Bank of Mid. East	10 %	P. S. Refson & Co.	11½%
■ Brown Shipley	11½%	Rossminster	11½%
Canada Perm't Trust	11½%	Royal Bk. Canada Trust	11½%
Cayzer Ltd.	11½%	Schlesinger Limited	11½%
Cedar Holdings	10½%	E. S. Schwab	12½%
■ Charterhouse Japhet	11½%	Security Trust Co. Ltd.	11 %
Choulartons	11½%	Shenley Trust	11 %
C. E. Coates	10 %	Standard Chartered	10 %
Consolidated Credits	10 %	Trade Dev. Bank	11½%
Co-operative Bank	*10 %	Trustee Savings Bank	10 %
Corinthian Securities	11½%	Twentieth Century Bk.	11 %
Credit Lyonnais	10 %	United Bank of Kuwait	10 %
Duncan Lawrie	10 %	Whiteaway Laidlaw	12 %
The Cyprus Popular Bk.	10 %	Williams & Glyn's	10 %
Eagil Trust	10 %	Yorkshire Bank	10 %
English Transcont.	11 %		
First Nat. Fin. Corp.	12 %		
First Nat. Secs. Ltd.	12 %		
■ Antony Gibbs	11½%		
Greyhound Guaranty	10 %		
Grindlays Bank	†10 %		
■ Guinness Mahon	10 %		
■ Hambros Bank	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7 %, 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 7 %, up to £25,000 7½% and over £25,000 7½%.
‡ Call deposits over £1,000 7%.
§ Demand deposits 7½%.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 24	Nov. 6	Jan. 25	Feb. 6
Nov. 7	Nov. 20	Feb. 8	Feb. 20
Nov. 21	Dec. 4	Feb. 22	Mar. 6

For rate indications see end of Share Information Service

Money was given for the call in **Lonrho, Ladbroke, UDT, Linfood, Natwest Warrants, Grand Metropolitan, French Kier, Ladbroke Warrants, Town and City Properties, Thomson T-Line, City Hotels, Geo. Wimpey, Racal Electronics, Siebens Oil (UK), BSR, Haden Group, Hampson Industries** and **Burton Warrants**. Puts were done in **BP** and **Racal Electronics**, while a double was arranged in **Ladbroke Warrants**.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (4)

STORES (2)
Knott Mill — Kunick
ENGINEERING (1)
Hampson
TEXTILES (1)
Sirdar

NEW LOWS (37)

BRITISH FUNDS (1)
Treasury 9½pc 1980
INTERNATIONAL BANK (1)
5pc Stock '77-82
CORPORATION LOANS (1)
Lr'pool 9½pc '80-84
LOANS (1)
FFI 13pc 1981
BEERS (3)
Boddingtons — Scottish & Newcastle
Guinness (A.)
ELECTRICALS (3)
Berec — Teletusion A N-V
Pye Hldgs.
ENGINEERING (3)
Alcan Aluminium — Wolf Elect. Tools
Braithwaite
INDUSTRIALS (5)
Avon Rubber — Petrocon
[illegible] — Trafalgar House
Finlas
INSURANCE (2)
General Accident — Sun Alliance
LEISURE (3)
Campari — Black & Edgington
Do B
MOTORS (1)
Zenith A
PAPER (1)
Cameels
SOUTH AFRICANS (1)
Unisec
TEXTILES (1)
Carrington Viyella
TOBACCOS (1)
B.A.T Inds.
TRUSTS (2)
Dualvest Inc. — Wemyss Inv.
OILS (2)
Cluff Oil — [illegible] Petroleum
TEAS (1)
Assam Inv.
MINES (4)
East Daggafontein — [illegible]
Western Areas — Consld. Murchison

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+or−	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+or−
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+or−
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS and SUB-SECTIONS	Fri., Nov. 3, 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Thurs. Nov. 2 Index No.	Wed. Nov. 1 Index No.	Tues. Oct. 31 Index No.	Mon. Oct. 30 Index No.	Year ago (approx.) Index No.	1978 High	1978 Low	Since Compilation High	Since Compilation Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Fri. Nov. 3	Day's change %	xd adj. To-day	xd adj. 1978 to date
1 Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.	Fri. Nov. 3	Thurs. Nov. 2	Year ago (approx.)	1978 Highs	1978 Lows
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri. Nov. 3	Thurs. Nov. 2	Wed. Nov. 1	Tues. Oct. 31	Mon. Oct. 30	Fri. Oct. 27	Thur. Oct. 26	Wed. Oct. 25	Year ago (approx.)	1978 Highs	1978 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 22p. [illegible]

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

INSURANCE AND PROPERTY BONDS

Jardine Fleming & Co. Ltd.

46th Floor, Connaught Centre, Hong Kong

Jardine Estn Tst.	HK$353.70		2.00
Jardine J'pn.Fd.*	HK$432.81	+14.9	0.80
Jardine S.E.A.	$US20.89	+0.91	1.70
Jardine Flem.Int	HK$12.48		
Intl Pac.Secs.(Inc.)	HK$15.80	+0.71	
Do. (Accum.)	HK$15.96	+0.72	

NAV Oct. 13. *Equivalent $US88.44. Next sub. Oct. 31.

Warburg Invest. Mngt. Jrsy. Ltd.

1 Charing Cross, St. Helier, Jsy. CI. 0534 73741

CMF Ltd. Oct. 26	$US14.57	14.95	—
CMT Ltd. Oct. 26	£14.62	15.00	—
Metals Tst. Oct. 19	£12.90	13.22	—
TMT Oct. 12	$US12.19	11.69	—
TMT Ltd. Oct. 12	£11.11	11.40	—

World Wide Growth Management

10a, Boulevard Royal, Luxembourg.

Worldwide Gth Fd	$US15.70	-0.69	—

CORAL INDEX: Close 469-474

INSURANCE BASE RATES

†Property Growth ... 10¼%

‡Vanbrugh Guaranteed ... 10.37%

†Address shown under Insurance and Property Bond Table.

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Net of tax on realised capital gains unless indicated by ♦. ‡ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

THE SCOTCH OF A LIFETIME

The Buchanan Blend

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
24	17	Antofagasta Rly	22½	......	—	—
41	33	Do 5pc Pref	41	......	—	—
98	98	Chilean Mixed	98	......	—	13.09
415	350	German Yng 4½pc	411	......	4½	—
54	46	Greek 7pc Ass	50	......	3½	17.25
51	46	Do 6pc 28 Stab. Ass	49	......	6	16.22
44	40	Do 4pc Mixed Ass	40	......	4	15.08

BONDS & RAILS—Cont.

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1978 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
360	203	Hong Shng $2.50	294	–6	hQ59c	—	2.4	—
69	52	Jessel Toynbee	55xd	......	th3.32	—	9.0	—
215	160	Joseph (Leo) £1	170	......	8.74	—	7.7	—
55	37	Keyser Ullmann	50	......	0.67	—	2.0	—
74	56	King & Shax 20p	58	......	3.44	—	8.8	—
114	90	Kleinwort B.L.	98	......	14.18	—	6.9	—
297	242	Lloyds £1	260	+5	19.23	4.8	5.3	5.9

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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[illegible]

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[illegible]

TOBACCOS

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MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

THE SCOTCH OF A LIFETIME

The Buchanan Blend

MINES—Continued

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
15	10	Acmex 25c	10	.....	—	—	—
140	64	Bougainville 50 Toea	123	−2	†Q8c	1.4	4.1
131	63	BH South 50c	119	−1	—	—	—
820	150	Central Pacific	330	.....	—	—	—
336	148	Conzinc Riotinto 50c	274	−4	‡Q10c	2.2	‡
27	9½	Endeavour 20c	20	.....	—	—	—
75	45	G.M. Kalgoorlie $1	63	+1	—	—	—
68	18	Haoma Gold N.L.	30	.....	—	—	—
140	81	Hampton Areas 5p	120	+2	t3.55	2.0	4.4
40	10	Metals Ex. 50c	27½	−2	—	—	—
223	125	M.I.M. Hldgs. 50c	195	−1	Q9c	1.7	2.8

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$15¼	$10¼	Blyvoor R1	$10⅞	−⅛	Q170c	1.6	18.9
$11¾	850c	East Drie R1	850c	−5	†Q78c	1.7	10.6
585c	330c	East Rand Prp R1	450c	−20	—	—	—
$28⅜	$16⅝	F.S. Geduld 50c	$18xd	+⅛	Q315c	ϕ	20.2
$15⅛	975c	Pres. Brand 50c	$10¼xd	+¼	Q150c	ϕ	16.9
$13⅞	900c	St. Helena R1	912c	.....	Q190c	ϕ	24.1
465c	313c	Stilfontein 50c	406c	−2	†Q22c	2.3	6.3
$22½	$16⅛	Vaal Reefs 50c	$17⅛	−⅛	Q115c	3.3	7.7
$37	$25	West Drie R1	$29	+¼	Q385c	1.7	15.3
$31¼	$19¾	West Hldgs. 50c	$23xd	.....	Q415c	ϕ	20.8
$12½	895c	Western Deep R2	$10	+¼	Q82.5c	2.4	9.5

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent, and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ◆ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ● Excluding a final dividend declaration.
- ◆ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimate for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	.....	Sheff. Refrshmt.	66	.....
Ash Spinning	49	.....	Sindall (Wm.)	112	.....
Bertam	16	.....			
Bdg'wtr. Est. 50p	325	.....	**IRISH**		
Clover Croft	26	.....			
Craig & Rose £1	520	.....			
Dyson (R. A.) A.	37	.....	Conv. 9% '80/82.	£90	−¼
Ellis & McHdy	67	.....	Alliance Gas	98	.....
Evered	27	.....	Arnott	340	.....
Fife Forge	52	.....	Carroll (P.J.)	97	.....
Finlay Pkg. 5p	21	.....	Clondalkin	88	−1
Graig Ship £1	140	−5	Concrete Prods.	135	.....
Higsons Brew	75	−2	Heiton (Hldgs.)	49	.....
I.O.M. Stm. £1	178	+3	Ins. Corp.	186xd	.....
Holt (Jos.) 25p	252	−2	Irish Ropes	105	.....
N'thn. Goldsmith	64	.....	Jacob	56	.....
Pearce (C. H.)	190xd	.....	Sunbeam	36	−1
Peel Mills	21	.....	T.M.G.	190	.....
Sheffield Brick	49	−1	Unidare	88	.....

OPTIONS

3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	30
A. Brew	6½	"Imps"	6	Unilever	35
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	8	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	17		
Beecham	35	Legal & Gen.	14	**Property**	
Boots Drug	15	Lex Service	7	Brit. Land	3¾
Bowaters	16	Lloyds Bank	22	Cap. Counties	4½
B.A.T.	24	"Lofs"	4	E.P.	5
British Oxygen	6	London Brick	5	Intereuropean	4
Brown (J.)	20	Lonrho	5	Land Secs.	16
Burton 'A'	12	Lucas Inds.	25	MEPC	12
Cadburys	5	Lyons (J.)	10	Peachey	3
Courtaulds	10	"Mams"	7	Samuel Props.	9
Debenhams	8	Mrks. & Spncr	10	Town & City	1¼
Distillers	15	Midland Bank	25		
Dunlop	7	N.E.I.	12	**Oils**	
Eagle Star	11	Nat. West Bank	22	Brit. Petroleum	45
E.M.I.	14	Do. Warrants	10	Burmah Oil	5
Gen. Accident	17	P & O Dfd.	8	Charterhall	3
Gen. Electric	18	Plessey	8	Shell	28
Glaxo	40	R.H.M.	5	Ultramar	20
Grand Met.	9	Rank Org. 'A'	18		
G.U.S. 'A'	20	Reed Intnl.	12	**Mines**	
Guardian	23	Spillers	3		
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd.	20	Thorn	22	Cons. Gold	14
House of Fraser	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

Cruising means
CHANDRIS

FINANCIAL TIMES

Saturday November 4 1978

STRATHSPEY
100% Highland Malt Whisky
"Togaidh E Suas
'Ur Misneachd"

MAN OF THE WEEK

Proving it with $30bn

BY STEWART FLEMING

AFTER A good start following his appointment as the new chairman of the Federal Reserve Board in March Mr. G. William Miller had been treading a less than surefooted path through the commanding heights of the U.S. economy in the past few months.

His prediction in July (repeated at the beginning of this month) that interest rates would peak by the end of the year was interpreted by his critics as yet another sign that the new chairman was aligning himself too closely with the economic policies of the Carter Administration and undermining the Fed's role as the front line of the fight against inflation.

G. William Miller
Better armoured for the fight

To understand how much has been changed by the announcement of the dollar support programme in the middle of the week one has to appreciate the difficult predicament the Central Bank (and its chairman) have been in as they tried to pursue an independent course.

A creature created by act of Congress it is subject to the scrutiny and regulation of the political establishment. The answer to the question what would happen if the nominally independent central bank refused to print enough money to allow the democratically elected Government of the country to allow to carry out its policies has always been that it would run the risk of having its independence stripped away.

A public awareness of the role monetary policy can play in creating recession and unemployment has grown, and public attention on the Fed increased (which it has) it can be argued that the central banks' freedom of action has been diminished.

Now, however, the U.S. dollar support package has put the Fed even more clearly in the front line for the monetary measures will have to be effected by it, and it also has responsibility for managing foreign exchange intervention. The critical question for the dollar, therefore, is will it be able to pursue its goals with determination and without public pressures to compromise.

There are strong grounds for believing that the Fed is now better armoured for the fight than it was. The clues to the change were contained in the symbolism surrounding the announcement of the dollar support package. Although the official ceremony included a joint statement from Mr. Miller and Mr. Michael Blumenthal, the U.S. Treasury Secretary, the tape was cut in public so to speak by President Carter himself, and Mr. Blumenthal, that is the U.S. political establishment.

Mr. Miller was nowhere to be seen.

The politicians have thus given the semi-independent Central Bank the brief to attack the dollar's woes with an armoury of monetary measures which could damage the domestic economy. The democratically elected leaders have identified themselves with the policies to be pursued by the Central Bank. Mr. Miller and his colleagues must of course exercise their powers responsibly. But if there is any bleating (in public) again when rising interest rates start to impact the economy, the unemployment figures and perhaps Mr. Carter's re-election hopes, then the world will know that it is the President's commitment to his own dollar policy which is being undermined.

Thus politically the central bank is now in a much stronger position to have monetary policy shoulder the burden of the fight against the inflation which is now at the root of the dollar's difficulties.

Finally, on the other side of the dollar defence policy, the foreign exchange intervention, a subtle change in the wording of the official announcement is attracting attention. The statement does not talk of intervening in the foreign exchange market to stabilise "disorderly markets" as in the past. Now the U.S. and its central bank partners are to intervene "to correct recent excessive exchange rate movements." The philosophical foundations of benign neglect have been buried, dirty floating made clean and the market told that it can be wrong and that the U.S. is prepared to spend $30bn proving it.

Botha recalls MPs over funds scandal

BY QUENTIN PEEL

JOHANNESBURG, Nov. 3.

MR. P. W. BOTHA, the South African Prime Minister, today announced the recall of Parliament and the establishment of a judicial commission of inquiry after allegations of massive misappropriation of State funds by the former Department of Information.

His announcement followed mass defiance by the South African Press of an order not to publish evidence about the department's secret activities. Only the State-controlled South African Broadcasting Corporation obeyed.

The emergency recall of Parliament, the first since the outbreak of the Second World War, is for December 7, when it will consider the commission's report.

The three-man body, chaired by Mr. Justice R. P. Erasmus, a Supreme Court judge from Orange Free State, is to investigate any misappropriation of funds by the former department and any irregularities of private benefit to individuals that may have occurred.

Evidence published yesterday by another judicial inquiry stated that R12m (£6.7m) of State funds were made available to finance the Citizen, a supposedly independent but staunchly pro-Government newspaper. The R12m was invested in a fertiliser company belonging to Mr. Louis Luyt, first owner of the Citizen, and had not been repaid.

Mr. Botha today refused to accept the evidence, from Judge Anton Mostert, whose inquiry is into foreign exchange violations, but agreed that he would oppose any suggestion of using Government funds to support a party political newspaper in a democratic society.

His move coincided with scarcely veiled calls by several pro-Government Afrikaans newspapers for Dr. Connie Mulder, the former Minister of Information, now responsible for African affairs, to resign. The scandal has deeply divided the Afrikaner establishment, and Mr. Botha and Senator Owen Horwood, Minister of Finance, were anxious today to dissociate themselves from any decisions about secret projects of the Information Department.

Die Burger, the National Party newspaper in Cape Town, described the Mostert evidence as "shocking allegations." It said that special attention would inevitably be given to Dr. Mulder's position.

Volksblad, the party newspaper in Orange Free State, said: "This festering sore in South Africa's public life must be rooted out without sparing any person's name, position, status or personal relationships. Where necessary, legal steps must not be ruled out."

Dr. Mulder said that he was calling for a judicial inquiry. "I will not rest until my own good name is fully and honourably restored with regard to alleged corruption, misuse of public funds, self-enrichment and self-benefit."

He would consider his political position once the report was made public.

Attention was particularly focused on evidence to Judge Mostert that a cover-up of the activities of the Information Department had been planned.

According to Mr. Retief Van Rooyen, a Pretoria lawyer who was director of a department "front company" responsible for secret projects, General Hendrik Van Den Bergh, former chief of the secret service, Bureau of State Security (BOSS), had said he would "save" leading members of the Government involved by a lengthy investigation "until such time as it (the issue) was dead."

A 'James Bond' scandal
Page 15

Britain seeks closer economic links with EEC, says Healey

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UK will continue to press the rest of the Common Market to develop policies which ensure a closer convergence of economic performance, whatever happens in the present talks about the proposed European Monetary System, Mr. Denis Healey, the Chancellor, said yesterday.

In evidence to an all-party committee of MPs Mr. Healey was carefully non-committal about the outcome of these talks, while trying to provide both political and economic reassurance about the Government's intentions if the UK does not join the proposed system in January.

The Chancellor said it would make sense for Britain to join a system which created a zone of currency stability, provided that a long list of general principles was accepted.

But in the remainder of his evidence he effectively indicated that these conditions were in practice unlikely to be fulfilled. This appears to have been the view of the majority of the Cabinet at its meeting on Thursday.

Mr. Healey described the possibility of a two-tier system with a wider band of fluctuating currencies as not a "very helpful concept" for Britain, and dismissed suggestions that sterling might be a candidate for the outer or weaker tier. This idea does not appeal to the UK since any currency in the weaker tier would be likely to face speculative pressures.

The two-tier proposals emerged publicly after Franco-German talks on Thursday, and are likely to be discussed next week by Mr. Healey when he meets the French and Dutch Finance Ministers.

Mr. Healey was questioned yesterday for more than 90 minutes by the general sub-committee of the Commons Expenditure Committee.

The Chancellor was involved in an inconclusive clash with Mr. Brian Sedgemore, a Left-wing Labour MP and Parliamentary Private Secretary to Mr. Anthony Wedgwood Benn; and Mr. Michael English, the Labour chairman of the sub-committee, about various secret Cabinet and EEC documents.

In particular, the Chancellor denied Mr. Sedgemore's suggestion that all the illustrative analyses submitted to the Cabinet envisaged damage to output and employment if Britain joined.

Schmidt makes progress.
Page 2

Drax B orders worth £300m

BY JOHN LLOYD

ORDERS WORTH £300m were announced yesterday by the Central Electricity Generating Board for most of the mechanical engineering work on the Drax B power station near Selby, in Yorkshire.

At the same time, the board said that the estimated cost of the project had gone up from the £600m forecast two years ago to £685m, a rise which the board says is in line with inflation.

Neither the board nor the contracting companies would release the cost of the various parts of the contract—a matter of some controversy in recent months—but it is understood that the breakdown is roughly as follows:

- Babcock and Wilcox (Operations) will build and erect three 660-megawatt boilers, at a cost of about £180m.
- The C. A. Parsons subsidiary of Northern Engineering Industries (NEI) will supply three 660-megawatt turbine generators, at a cost of about £100m.
- The Clarke Chapman NEI subsidiary will be subcontracted by Babcock to do flue and duct work on the boilers, at a cost of about £10m.
- General Electric's (GEC) plant at Larne, Northern Ireland, will supply feed heaters and—under sub-contract from Parsons—condensers, at a cost of about £10m.

The Government will meet a maximum of £50m of the total cost, as agreed compensation for requiring the Board to bring forward the consruction date of Drax B by about 18 months. The precise figure will be based on the interest on the capital employed over the 18-month period.

The project is due to be completed by 1986, which some companies privately believe to be over-optimistic. When brought on stream, Drax B will, together with Drax A, produce about 4,000 megawatts of electricity.

The combined stations will burn about 9m tonnes of coal a year, much of it from the Selby coalfield now being built, which the National Coal Board hopes will be producing 10m tonnes a year by the late 1980s.

Weather

U.K. TODAY

SOME RAIN in most places.

England, Wales, Channel Is., S. and E. Scotland
Cloudy with rain or drizzle at times. Some bright spells. Max. 16C (61F).

N. Scotland, Orkney, Shetland
Cloudy, rain at times. Max 11C (52F).

I. of Man, W. Scotland, N. Ireland
Cloudy, rain, brighter later. Max. 13C (55F).

Outlook: Mainly dry in S. Rain at times in N.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	Fg	10	50	Madrid	S	16	61
Athens	C	14	57	Manchestr.	C	12	54
Barcelona	S	19	66	Melbourne	C	15	59
Beirut	S	24	75	Mexico C.	C	17	63
Belfast	C	13	55	Milan	C	7	45
Belgrade	S	12	54	Montreal	S	10	50
Berlin	D	6	43	Moscow	C	6	43
Brmghm.	F	11	52	Munich	C	6	43
Bristol	F	13	55	Newcastle	F	15	59
Brussels	C	10	50	New York	S	15	59
Budapest	C	6	43	Oslo	C	9	48
B. Aires	S	22	72	Paris	C	10	50
Cairo	S	24	75	Perth	C	21	70
Cardiff	F	13	55	Prague	C	6	43
Chicago	S	19	66	Reykjavik	Sn	0	32
Cologne	F	7	45	Rio de J'o	S	28	82
Copnhgn.	F	11	52	Rome	F	18	64
Dublin	C	14	57	Singapore	C	27	81
Edinburgh	C	13	55	Stockholm	F	9	48
Frankfurt	F	4	39	Strasbrg.	C	8	46
Geneva	F	7	45	Sydney	C	17	63
Glasgow	F	12	54	Tehran	S	10	50
Helsinki	S	7	45	Tel Aviv	F	21	70
H. Kong	S	23	73	Tokyo	S	16	61
Jo'burg	R	20	68	Toronto	S	12	54
Lisbon	S	19	66	Vienna	C	7	45
London	F	13	55	Warsaw	S	10	50
Luxemb'g	Fg	4	39	Zurich	C	4	39

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	18	64	Istanbul	C	12	54
Algiers	S	20	68	Jersey	C	13	55
Biarritz	C	11	52	Las Plms.	S	24	75
Blackpool	F	13	55	Locarno	C	12	54
Bordeaux	C	8	46	Majorca	F	20	68
Boulogne	Fg	14	57	Malaga	S	20	68
Casablnca.	S	22	72	Malta	F	19	66
Cape Town	S	24	75	Nairobi	R	21	70
Corfu	C	18	64	Naples	F	17	63
Dubrovnik	F	17	63	Nice	S	18	64
Faro	S	21	70	Oporto	S	21	70
Florence	F	11	52	Rhodes	F	20	68
Funchal	F	21	70	Salzburg	C	6	43
Gibraltar	F	20	68	Tangier	S	23	73
Guernsey	C	13	55	Tenerife	S	23	73
Innsbruck	S	13	55	Tunis	S	19	66
Inverness	R	11	52	Valencia	C	15	59
Isle of Man	C	13	55	Venice	S	12	54

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow. D—Drizzle. Fg—Fog.

Continued from Page 1

Ford strikers

workers voted to give the company until December 1 to improve its offer. Shop stewards were authorised to call for "any action necessary" to promote their claim for an increase of well over 30 per cent.

Management will not be too disturbed by yesterday's developments. The mood among BL workers, who fear that industrial action will result in a severe cut in operations, is different from that at Ford.

BL is taking a hard line and insisting that even the 5 per cent offer depends on acceptance by all 36 plants of a total package involving 7,000 voluntary redundancies before the end of the year.

Management has made clear that parity—the same wage for the same job—must be self-financing.

The company must have taken heart from yesterday's collapse of the strike by 32 toolmakers at SU Fuel Systems, Birmingham, which has lasted more than three months and which at one point threatened to become a total stoppage of BL Cars' output.

The men, who gained no concessions from the company, will return to work on Monday, "very disillusioned and a little bitter," one of their leaders declared last night.

BL management realises that the next two weeks will present a real test of the hard line it has taken in negotiations. Threats might be levelled by militant action at component plants such as Drews Lane, which can quickly affect production, but where there is less short-term risk of redundancies.

Cowley might prove another trouble spot, not because of the annual pay round but because the company's proposals will for the first time in the plant's history pay skilled workers more than production operators.

Continued from Page 1

Small gains by dollar

currencies, which had attracted large inflows before the U.S. action.

Indeed, the pound has risen over the last week by 3.2 pr cent against the D-mark. The result is that the trade-weighted index is unchanged over the week and only 0.6 per cent down since Tuesday, in spite of the sharp fall in the pound against the dollar.

The index rose by 0.4 points yesterday to 62.9, again reflecting sterling's strength against Continental currencies. The pound fell by 1.67½ cents against the dollar to $1.9830 and in New York closed at $1.940. The fluctuations partly reflected the contrasting impact of the Ford dispute and the rise in UK interest rates.

British Oxygen in price inquiry

By David Churchill and Nick Garnett

THE PRICE COMMISSION is to investigate a proposed 9.8 per cent price rise for most industrial gases produced by British Oxygen.

The commission is expected to scrutinise closely the self-financing productivity deal reached a year ago with the company's workforce in the gases division which some union leaders have described as being totally "phoney."

Meanwhile, shop stewards in all four of the gases divisions regions decided yesterday to recommend rejection of the company's "final" pay offer of about 9 per cent to its drivers and industrial gas cylinder handlers. They were due to settle in September.

The recommendation will be put to mass meetings of the work force within the next few days. If they reject the offer, which is already in breach of pay guidelines, a shop stewards' delegate conference will be reconvened.

Last year, a four-week strike at British Oxygen led to more than 30,000 layoffs throughout industry and cost the company about £5m.

The commission's investigation will take three months to complete. Mr. Charles Williams, commission chairman, has already made clear that any attempt to pass on increased labour costs from phoney productivity deals would be examined carefully.

British Oxygen said last night that the price rise was needed to finance increased investment for production of industrial gases.

The proposed rises are an average of 9.8 per cent for oxygen, nitrogen and argon, and an average of 9.7 per cent for dissolved acetylene. The rises would apply only to gases supplied in cylinder, and include higher cylinder and rental charges.

The Price Commission is also investigating a proposed 6 per cent price rise sought by Air Products, the second largest supplier of industrial gases in Britain after BOC, which has about 80 per cent of the market. The Air Products report is due to be published in December.

The BOC gases division productivity deal gave rises of about 8 per cent on top of a 10 per cent earnings increase under Phase Three. The company has always maintained that the deal was self-financing, and sanctioned by the Department of Employment.

Union officials have said, however, that the changes in working practices required under the scheme were marginal and linked to increased throughout of work which never materialised.

Sanctions: No action against Lonrho

By John Moore

THE Director of Public Prosecutions has decided that criminal proceedings are not justified against Lonrho, the international trading and industrial conglomerate, over sanctions-busting allegations and the findings of a Department of Trade report completed more than two years ago.

In a brief statement yesterday, Lonrho said: "This was not an unexpected outcome but it is nonetheless welcome."

Mr. Tony Hetherington, the Director of Public Prosecutions, has been studying police reports on their investigation into matters arising from the critical Department of Trade report on the group's affairs.

However, after consultations with Mr. David Tudor Price, the senior Treasury counsel, who would have handled the prosecution case if charges had been made, Mr. Hetherington decided criminal proceedings were "not justified."

Mr. "Tiny" Rowland, Lonrho's chief executive, has been angry about the way the affair has been handled. He wrote recently to Dr. David Owen, the Foreign Secretary, asserting that "to my knowledge there is no basis to suspect that there exists any evidence to suggest Lonrho has committed any offence under sanctions legislation or any other law."

The Department of Trade's investigators concluded in their report that Lonrho had a duty to ensure so far as it could that the company and its officers complied with UK sanctions legislation. "We believe that the Board as a whole during this period did not discharge this duty with care," the report said.

The report also criticised aspects of the way special payments of gifts, rewards and inducements for overseas business were made, but concluded that the funds "were not misapplied."

THE LEX COLUMN

Tactical retreat by equities

Index unchanged at 472.4

The bears again had things mostly their own way this week in the equity market, with the F.T. 30-Share Index dropping another 10.8 points—making the total drop more than 80 points from the 1978 high reached seven weeks ago. Institutional fund managers remain content to see prices fall, happy that they will be liable to place their buying orders at some lower, more advantageous level. The mood is one of a gentle downwards adjustment, and certainly not of panic selling.

So far the institutions' withdrawal is tactical, not strategic. Big storm clouds have been building up over the market—the U.S. dollar turmoil, the rise in money rates, the wages battles at Ford, BOC and elsewhere, and the crisis in Iran—but there is a feeling that most of these problems are reflected in market prices already. The best evidence of a solid support somewhere underneath this equity market is, perhaps, the refusal of yields at the long end of the gilt-edged market to go any higher than they did in June.

What coud yet turn this setback into a significant bear market would be a squeeze on the corporate sector as companies were put under pressure by a relatively high (and therefor uncompetitive sterling exchange rate and by a shortage of credit (which although becoming expensive, has not yet become scarce). But it would be wrong to draw general conclusions about the Stage 4 wages outturn from the Ford strike.

Share prices on Wall Street, meanwhile, have had the rally which was no more than their due after the bloodbath of previous weeks. But there still seems to be every reason for caution.

Until the outcome of President Carter's package becomes clearer, foreign buyers are unlikely to chance their arm on the dollar by rushing into Wall Street. Over the long term, no doubt, current prices will look attractive with companies selling well below their break up values and p/e ratios down into single figures. But nearer term there is the possibility of a recession in 1979 to worry about, and in the past the market has generally found the going pretty tough at times—such as now—when short term interest rates have exceeded bond rates.

Building societies

How the building societies must envy the clearing banks. Now that the banks have raised their deposit rates by a full two percentage points, the pressure must be on the building societies to increase their own rates. But whereas the authorities turned a blind eye on the banks' upward adjustment, the building societies are unlikely to be let off so lightly especially since there is an election in the offing.

Until recently the building societies had been holding their own in the savings market. Lending has been running at around £700m per month, which has been covered by monthly inflows of just over £350m, repayments of principal of £300m and interest credited of £120m. However, receipts tend to taper off as Christmas approaches, added to which building society rates are now looking decidedly uncompetitive.

A year ago there was a gap of six percentage points between bank deposit rates and the grossed up building society rate. This has now narrowed to just 1 per cent in the case of Barclays and Midland and for the larger depositor, the banks are now offering very attractive terms. Midland Bank, for example, is paying 11.1875 per cent for three-month fixed deposits of £10,000 plus which is more than a point over th building society share rate.

The building societies sti have plenty of room to run dow their liquidity and maint their lending well into the Ne Year at around £700m pe month, even though inflows a now tailing off sharply. How ever, in real terms their volum of lending seems likely decline since house prices ha been rising rapidly over th past 18 months. From th Government's point of vie rapidly lengthening mortga queues are preferable to high interest rates. So far the buil ing societies have not summo up enough courage to challen this accepted wisdom.

GUS

For the second year runni GUS failed to pile up cash 1977-78, and the annual rep shows that over the year March the famous liq balances stayed at around £... Although the group's cash has continued to rise stead GUS has recently been pump back much more into the reta ing business, partly thro modernising the mail order si in two years spending on fix assets has jumped from £12 to £31m. Meanwhile the accel ation in sales growth—UK ret sales rose by 18 per cent year—has meant that large su are being locked up in consu debts.

Already last year UK ret profits were starting to ma headway again, with a rise 25 per cent (after gaining 9 per cent over the previo three-year period). Overs profits dropped a little in s ling terms, and the contri tion from finance also eas little, probably influenced lower interest rates. This the prospects look good round, but the shares have been able to break free of general market pattern recent months. At 294p the yield a modest 4.2 per cent.

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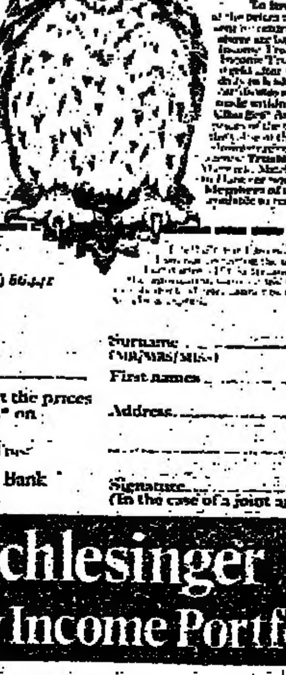

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Signature ______
(In the case of a joint application all must sign.)
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